Delivering a sustainable railway: a 30-year strategy for the railways?

Tenth Report of Session 2007–08

Report, together with formal minutes, oral and written evidence

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The Transport Committee

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Conclusions and recommendations

- The High Level Output Statement (HLOS)
- The long-term strategy and vision
- The engineering overruns at New Year 2008
- The White Paper challenge for Network Rail
- The Government’s plans
- Forecasting and planning for growth
- Network capacity
- Encouraging modal shift

Formal Minutes

List of Reports from the Committee during the current Parliament
1 Introduction

1. The White Paper, *Delivering a Sustainable Railway*, was published on 24 July 2007. It sets out the Government’s general vision for the railways for the next thirty years as well as the specific and detailed strategy for the 2009–14 period,¹ which is contained in the High Level Output Statement (HLOS) included in the White Paper. The White Paper is accompanied by a Rail Technical Strategy.² Most rail matters are fully devolved for Scotland, and partially devolved in Wales, so this report relates primarily to England and, at the strategic level, to Wales.³ Issues concerning rail freight were discussed in our report on *Freight Transport*, published recently.⁴

Engineering overruns

2. Network Rail’s engineering overruns at New Year 2008 at Rugby, London Liverpool Street and Glasgow Shields Junction caused tremendous inconvenience to passengers across the country, and inevitably came to shape and colour our oral evidence sessions. We held additional sessions in January and March in order to take evidence from Network Rail, Bechtel (the main contractor) and twice from the Office of Rail Regulation (ORR) specifically on these events and their consequences. Our investigation, along with analyses from the ORR, have led us to believe that the engineering overruns are symptomatic of crucial systemic flaws which have to be resolved if we are to have any hope of getting a sustainable railway, as promised in the White Paper. This Report considers both subjects.

3. We are grateful to all those organisations and individuals who submitted written evidence to our inquiry, and in particular to the 45 individuals who gave oral evidence, enabling us to explore the issues in depth. We are particularly grateful to our Specialist Adviser on this inquiry, Professor John Preston of the University of Southampton.

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¹ Usually referred to as Control Period 4.
² Department for Transport: The Rail Technical Strategy (RTS)
2 A 30-year vision for the railways?

The objective of the White Paper and HLOS

4. The White Paper and the High Level Output Statement (HLOS) are based on the assumption that the way in which the rail industry is now organised is both sensible and effective. On that basis, the White Paper devotes little energy to organisational structure, concentrating instead on providing a broad analysis of likely trends and requirements for the railways over the next thirty years, while the HLOS sets out in some detail what the Government aims to achieve during the five years between “Control Period 4”, from 2009 to 2014.

5. The Government maintains that the White Paper and HLOS represent the first plan for growth on the railways since the 1950s, and it sets out a ‘long-term ambition’ for a railway that:

i. can handle double today’s level of freight and passenger traffic;

ii. is even safer, more reliable and more efficient than now;

iii. can cater for a more diverse, affluent and demanding population; and

iv. has reduced its own carbon footprint and improved its broader environmental performance.

6. In achieving these objectives, the Government is committed to the principles set out in the Eddington Transport Study, advocating a “pragmatic” investment policy. Because it is virtually impossible to forecast passenger and freight demand more than a decade into the future, the strategy will be:

i. to invest where there are challenges now, in ways which offer the flexibility to cope with an uncertain future; and

ii. to put in hand the right preparatory work so that, as the future becomes clearer, the necessary investments can be made at the right time.

This approach favours relatively small- and medium-scale investments which make better use of existing infrastructure, rather than grand visions and large-scale investments in major new projects such as high-speed rail. Eddington concluded that existing

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5 Department for Transport: Delivering a Sustainable Railway, CM 7176, July 2007, paras 1.4 and 1.6
6 “Control Period” is the term used to refer to blocks in the five-year planning cycle now used for the planning and budgeting for rail infrastructure. The HLOS sets out plans for the fourth five year period since this planning system was adopted, Control Period 4.
7 Department for Transport: Delivering a Sustainable Railway, CM 7176, July 2007, p 7
8 Department for Transport: Delivering a Sustainable Railway, CM 7176, July 2007, para 1.13
9 Department for Transport: Delivering a Sustainable Railway, CM 7176, July 2007, p 9
10 Department for Transport: Delivering a Sustainable Railway, CM 7176, July 2007, p 9
infrastructure was well developed, and that the geography of the UK did not lend itself to high-speed rail.\textsuperscript{11}

**The High Level Output Statement (HLOS)**

7. The High Level Output Statement (HLOS), with its detailed specification of what the Government wishes to achieve, and how much it is prepared to pay for it over a five-year period, was generally welcomed.\textsuperscript{12} Network Rail told us that there was a very clear plan setting out the way in which to tackle the twin challenges of growth in patronage and environmental concerns faced by the industry in the short- to medium-term.\textsuperscript{13} The Office of Rail Regulation concurred with this view, welcoming the new sense of clarity.\textsuperscript{14}

8. The White Paper and the HLOS are based on a number of assumptions about, for example economic growth, demographic development and the relative cost of other transport modes. When questioned on some of these assumptions, notably the price of oil, the Minister, Tom Harris MP, argued that even where these assumptions were false, it would be undesirable to change them:

one of the underpinning tenets of the White Paper, of HLOS, and one which has been widely welcomed, strongly and warmly welcomed by the industry, is a sense of security, a sense of stability over that five year period. I think it would actually undermine the whole purpose of HLOS if we were to say that we would review HLOS month by month, depending on the price of oil.\textsuperscript{15}

The price of oil has increased by more than 50% this year, and according to current predictions, the price is likely to remain very high throughout 2008–09.\textsuperscript{16}

9. Although he acknowledged that the Government needed to determine the overarching strategy and vision for the railways, Chris Bolt of the ORR argued that it is not the Government’s job to develop detailed strategies. In the ORR’s view, the industry itself needs to take greater responsibility, and it is for the industry, led by Network Rail, to develop a range of strategic options for future development and investment from which the Government can choose. The ORR is requiring Network Rail to develop this process in preparation for the next High Level Output Statement in five years’ time.\textsuperscript{17} The ORR also acknowledged the importance of early planning, arguing that because of the lead times for rail investments, planning for the next High Level Output Specification needs to

\textsuperscript{11} The Eddington Transport Study – Main Report: Transport’s role in sustaining the UK’s productivity and competitiveness, vol.3 para 4.173 ff
\textsuperscript{12} See for example: Ev 137; Ev 140; Ev 155; Ev 168; Ev 191; Ev 291; Q 84
\textsuperscript{13} Q 221
\textsuperscript{14} Q 287
\textsuperscript{15} Q 909
\textsuperscript{17} Qq 553–554
commence now – even before the current HLOS has come into effect. Again, the ORR will seek to create incentives for Network Rail to make this happen.\(^{18}\)

10. The High Level Output Statement will give the industry a degree of stability and direction which we welcome. We accept that the validity of some of the assumptions which underpin the HLOS, such as economic growth and the price of oil, will change over time, and that every change should not result in alterations to the HLOS. However, where seismic shifts that are likely to remain in the medium-term occur, and where they are likely to create extra passenger growth, we think the Government needs to consider making adjustments to the HLOS. We believe the massive increases in oil prices over the past year, and the fact that prices are expected to remain very high for the foreseeable future represent such a case.

The long-term strategy and vision

11. The Government’s attempt to set out a long-term vision and strategy for the railways has been widely welcomed across the industry,\(^{19}\) though many commentators have argued that it needs to go further and be more visionary and radical in its approach.\(^{20}\) Eurostar argued that, whilst the Aviation White Paper had succeeded in setting out a proper long-term strategy, the Rail White Paper was notable for its failure to create a similarly clear strategy for the railways. In their view, rail planners had to ‘reinvent’ the ability to plan for growth after decades of declining patronage.\(^{21}\)

12. Many were critical of what they see as the Government ducking key strategic decisions on issues such as high-speed rail and electrification.\(^{22}\) Roger Ford, for example, argued that the White Paper lacked real ambition or vision.\(^{23}\) The West Midlands Regional Rail Forum pointed out that, although the White Paper took cognisance of certain long-term issues such as rolling stock procurement,\(^{24}\) it failed to develop solid medium- and long-term strategies for the sector as a whole. The document was “very, very concentrated on the control period up to 2014”, neglecting key projects where planning needed to start sooner rather than later.\(^{25}\) In Peter Rayner’s words, “the White Paper admits the railway will run out of capacity but offers no solutions.”\(^{26}\) He argued that unless issues such as strategic routing and other longer-term strategic development needs were addressed “the railway will stagnate.”\(^{27}\)

13. Some commentators believed that the reason for the absence of any real vision or long-term strategy in the White Paper was that such vision would invariably entail decisions on

\(^{18}\) Q 569
\(^{19}\) See for example: Ev 144; Ev 149; Ev 178; Ev 181; Ev 184; Ev 273; Ev 280; Q 220 and Q 2 (Ev 312 ff.); Q 84
\(^{20}\) See for example Ev 155; Ev 228; Ev 255; Ev 284; Q 599
\(^{21}\) Qq 191–192
\(^{22}\) See for example, Q 3; Q 85; Q 652
\(^{23}\) Q 5
\(^{24}\) See also Q 450
\(^{25}\) Q 764
\(^{26}\) Ev 287
\(^{27}\) Q 327
major infrastructure development. And such infrastructure comes with a hefty price tag. Roger Ford suggested that the Government:

is determined not to spend any money on permanent infrastructure and infrastructure improvements. The message seems to be anything but infrastructure improvements and to squeeze more out of the railway we have.28

14. Taking a slightly different perspective, some organisations representing passengers argued that although long-term strategy was important, what mattered most was to get things done here and now. It was at least as important to relieve current bottlenecks and other problems as it was to plan twenty or thirty years ahead.29

15. The ORR recognised that key decisions about longer-term strategy remained to be taken, because the current infrastructure would reach its limits within the foreseeable future.30 However, the Minister responded robustly to criticism that the White Paper was short on vision:

When people criticise the 30 year strategy as not having vision, in 1996 we were planning for the demise of the industry and for us to be able to sit here today and say that what we are planning for is for more than 2 billion people to be using the industry every year and for it to be more efficient and a better performer and safer than it has ever been in its lifetime […] I actually think that is a vision that is worth it.31

16. Apart from the general disappointment that the White Paper had failed to deliver the long-term vision required for the railways, three specific areas of criticism of the White Paper stood out in our evidence. One concerns the way in which strategic planning and policy development for the railways has been framed, and the other two concern the failure to commit to high-speed rail and electrification.

17. We warmly welcome the Government’s effort to create a long-term vision and strategy for the railways. We are particularly pleased that the White Paper sets out a positive plan for growth. However, we agree with the vast majority of our witnesses from across the industry, that the level of ambition in the White Paper is too modest. The Government’s policy of responding to demand with “just-in-time investments” ignores the potential of rail investment to reduce regional disparities and improve the environment. After years of sustained growth in rail patronage, we urge the Government to be bolder in its vision and to set out a proper long-term strategy, including the planning and development of infrastructure which will improve the environment and the spatial economic development of the country.
**Rail within an integrated transport policy**

18. Several witnesses expressed concern that the White Paper dealt with rail issues in isolation from other policy areas, initiatives and actors. The County Surveyors Society argued that the White Paper did not place rail clearly within wider strategies for the development of transport networks, nor indeed wider economic or spatial planning strategies. They said that:

the references to increasing capacity and easing crowding are very much seen as a response to existing rail industry problems, without giving an indication of the intention to support the functioning of some of our cities and towns by diverting travellers from congested Highway Networks to use of local rail services.\(^{32}\)

19. Jim Steer of Greengauge 21 echoed these concerns, arguing that, because the White Paper had failed to “discuss what the role of the railway is” there was little sense in which it looked beyond current and anticipated problems of the railways to deal with wider transport problems.\(^ {33}\) The Institution of Mechanical Engineers was particularly disappointed that the White Paper did not develop a strategy for rail as a cornerstone in reducing CO\(_2\) emissions from transport, through modal shift.\(^ {34}\)

20. Several witnesses suggested that rail strategy needed to be better integrated with planning policy and regional development plans.\(^ {35}\) The County Surveyors Society (CSS), for example, noted that the White Paper gave the impression of being shaped by Regional Planning Assessments (RPAs), Route Utilisation Strategies (RUS) and Franchise Agreements, rather than the other way round. The CSS were concerned about this lack of coordination.\(^ {36}\) The South East England Regional Assembly emphasised the importance of shaping the future through a proactive vision rather than simply reacting to it:

History reminds us that the railways have helped shape the pattern of development and movement within our society. [...] The long-term (i.e. 20 year) planning horizon of the Regional Spatial Strategy [...] should be used by Government to shape and influence the vision for the rail industry.\(^ {37}\)

It is, of course, not the first time we have heard concerns about this lack of policy integration. In our 2006 Report on *Passenger Rail Franchising*, we welcomed a commitment by the Government to integrate the franchise specification process more closely with the RPAs and RUS, but also expressed concern that:

the Government has failed to embrace the notion of RPAs, RUS and franchise specifications flowing from a wider strategic plan rather than the other way round. This approach is likely to result in perpetuation of the status quo rather than
development based on a strategic vision for what is required and desirable for the future.38

21. In a sense, the Minister acknowledged the need for greater integration of rail strategy with transport policy and strategy in general when he told us that the next HLOS probably will not be accompanied by a white paper on railways, it will probably be accompanied by a white paper on transport, looking at the whole range of transport solutions rather than just rail.39

22. When the Government does develop a proper long-term strategy for the railways, it is essential that it is thoroughly integrated with other Government and regional policies, on transport, the environment and planning. Policy-making on rail needs to be integrated with other policy areas in such a way that it is able not only to react to, but also to adapt to, inform and influence them. We await a more integrated policy approach and expect to see clear evidence of it in the next High Level Output Statement (HLOS) and the Transport White Paper accompanying it.

**High-Speed Rail**

23. The White Paper broadly accepted the conclusion of the Eddington Transport Study, that high-speed rail would represent poor value for money in the UK.40 Eddington concluded that the distances between major conurbations in the UK were too short to justify the construction of high-speed links. On the London to Scotland routes, there are already well-established links by air, and Eddington did not believe modal shift per se was a worthwhile policy goal. In those circumstances, he concluded, it was more economical to develop and expand infrastructure that already existed.41

24. We have already expressed our concerns elsewhere about the Government’s attitude to high-speed rail.42 The failure to commit to high-speed rail for at least a small number of corridors was also heavily criticised by many of our witnesses. The West Midlands Regional Rail Forum noted that getting approval for, and constructing a high-speed line was likely to take twenty years, and “a lack of capacity on the West Coast beyond 2025 south of Birmingham is an issue [which] needs addressing in the next five years.”43 Richard Brown CBE of Eurostar concurred, arguing that preparatory work needed to begin as a matter of urgency.44 He also, however, sounded a note of cautious optimism, noting that the Department for Transport policy document, published in the autumn of 2007 had moved on from the position taken in the Rail White Paper, published less than six months

39 Q 818
40 Department for Transport: Delivering a Sustainable Railway, CM 7176, July 2007, para 6.13 p 62
41 The Eddington Transport Study – Main Report: Transport’s role in sustaining the UK’s productivity and competitiveness, vol.3 para 4.173 ff
43 Ev 176
44 Q 192
previously. Confirming that some change was afoot, the Minister told us that the Secretary of State had invited Network Rail to develop a range of “complex future options for some of our long-term transport challenges”. In response, Network Rail has just launched a study of options for building new infrastructure along five key strategic rail corridors—the Midland Main Line, the Chiltern, East Coast, West Coast and Great Western lines. The study, which Network Rail expects to take a year or more, is reported to include analyses of the feasibility, costs and benefits of high-speed lines as opposed to traditional intercity lines in each of the five corridors.

25. The White Paper asserts that reductions in journey time are less important to passengers than reliability and frequency of services. Eurostar rejects this claim, noting that “the opening of the first section of High-speed 1 [the Channel Tunnel Rail Link] in September 2003, with a 20 minute journey time saving, has led to a 30% increase in passenger numbers”. With the final section of High-speed 1 completed in November 2007, Eurostar passenger numbers increased by 21% over the three-month period January–March 2008.

**High-speed rail to increase capacity?**

26. The Chartered Institute of Logistics and Transport (CILT) told us that the primary benefit of high-speed rail was additional capacity:

> the key issue is capacity rather than speed per se. At some stage it will be necessary to lay more track and it may be better to build new (as with HS1) rather than to upgrade existing routes [...] The high-speed option should not therefore be dismissed.

Professor Begg, representing the Northern Way, and Eurostar both concurred with the argument that the impact of high-speed rail on capacity was one of its principal benefits. Eurostar explained that high-speed trains can be significantly bigger than standard rolling stock, and therefore may have greater capacity. Furthermore, because they have better acceleration and travel faster, more services can be accommodated on one line.

27. Iain Coucher, Chief Executive at Network Rail, made clear that the incremental cost difference between building a new standard intercity line and a high-speed line was fairly
limited. Consequently, it would be worth considering whether any new lines to be built should be high-speed lines.\textsuperscript{55} Professor Begg argued that building new lines was better than trying to augment existing lines such as has been done on the West Coast Main Line, simply because it avoided the disruption and consequential loss of capacity over many years. He believed the evidence was clear that new high-speed lines were the way forward to increase capacity on key routes.\textsuperscript{56}

\textbf{28. It is deeply disappointing that the White Paper dodged the decision on high-speed rail.} Given the additional capacity and the limited additional cost in building high-speed as opposed to conventional rail lines, we recommend that the Government consider very seriously the possibility of building high-speed lines where new lines are to be constructed. Although there have been encouraging signs of movement in the Government’s position since the publication of the White Paper, we firmly believe that this is an area where the Government needs to move into a different gear. We welcome the preparatory study to develop and evaluate options recently announced by Network Rail. Once the study is complete, it will be incumbent on the Government to make decisions and initiate the work without delay. The time frames for the planning, procurement and construction of high-speed rail links are measured in decades rather than years. Hesitation now will mean years of avoidable misery and overcrowding on the network.

\textbf{Electrification}

\textbf{29.} Electrified trains are more energy efficient than diesel-propelled services. Currently only 39\% of the UK rail network is electrified but the White Paper rejects full electrification, partly on the basis of cost and the preponderance of other priorities during the 2009–14 period, and partly on the basis of the Department’s view that the extent of the environmental advantage of electrified service may change in future.\textsuperscript{57} The latter point depends, at least in part, on the extent to which more sustainable methods of electricity generation can be introduced.

\textbf{30.} Roger Ford casts doubt on the rationale for the Government’s conclusions. He argues that the long lead time on such investment means even if the process is initiated now, comparatively little expenditure would be incurred in the 2009–14 period. Furthermore, in his view, there are no long-term doubts about the environmental superiority of electrified lines. Mr Ford also highlighted an important inconsistency in the Government’s argument that electrification has to pay for itself over a 15–year period,\textsuperscript{58} when the standard amortisation period for rail investment was 30 years.\textsuperscript{59} Others, including the Chartered Institute for Logistics and Transport (CILT) also argue that electrification has been too easily dismissed by the Government.\textsuperscript{60} PTEG expressed disappointment about the lack of

\textsuperscript{55} Qq 238–239
\textsuperscript{56} Q 698
\textsuperscript{57} Department for Transport: Delivering a Sustainable Railway, CM 7176, July 2007, para 11.26 p 116
\textsuperscript{58} Department for Transport: Delivering a Sustainable Railway, CM 7176, July 2007, para 11.28 p 117
\textsuperscript{59} Ev 174
\textsuperscript{60} Ev 155
commitment to electrification of urban services.\textsuperscript{61} This point was echoed by London TravelWatch who argued that on some London lines where freight and passenger services share the space, “the better acceleration of electric freight trains is important in terms of line capacity and allows better sharing of the affected routes by freight and passenger trains.”\textsuperscript{62} The superior acceleration and efficiency of electrified lines could help to increase capacity on busy lines.\textsuperscript{63} Electrified trains can also usually carry more passengers than non-electrified trains because no space is taken up by fuel and power generation units.

**Infill electrification**

31. Whilst acknowledging that full electrification of the network comes with a considerable price tag, ATOC, the CILT and the Railway Forum all argued that ‘infill’ electrification projects—relatively small projects to link up existing sections of electrified track to create a more coherent and flexible network for electric rolling stock—were the way forward.\textsuperscript{64} CILT suggested that such a programme would not cost much:

> There are particular strengths in cases of infill projects that will not cost very much but bring significant benefits. ATOC has already identified a number of such schemes, and recent Route Utilisation Strategies have also contained examples. If these were to be brought forward by the industry, we would expect that funding could be made available for those with strong business cases.\textsuperscript{65}

32. In June, the Secretary of State, Rt Hon Ruth Kelly MP, indicated that the Government is beginning to change its attitude to electrification, stating that the business and environmental case for electrification was “growing fast.” She announced that a cross-industry working group was to be created to consider options for an electrification programme.\textsuperscript{66}

33. As we have already noted in our annual review of the work of the Department in 2007,\textsuperscript{67} the White Paper dismisses electrification too easily. Even small-scale, infill electrification projects are not given the credit that they deserve. The case for electrification is strong, and it is based on both environmental considerations and improvements in capacity. Recent indications are that the Government is now changing its mind, and that an electrification programme may be initiated later this year. We are pleased the Government appears finally to have seen sense on electrification, and we recommend that a strategy for the gradual electrification of the rail network be developed as a matter of priority.

\textsuperscript{61} Ev 156
\textsuperscript{62} Ev 191
\textsuperscript{63} Ev 197
\textsuperscript{64} Ev 155; Ev 168; Ev 197
\textsuperscript{65} Ev 155
\textsuperscript{66} Ruth Kelly MP, Secretary of State for Transport, speech delivered to the Transport Times conference ‘Action on Climate Change: A Role for Transport’ on 5 June 2008. See: \url{http://www.dft.gov.uk}
3  Network Rail – up to the challenge?

34. Shortly before we began taking oral evidence in January 2008, Network Rail caused very serious disruption and inconvenience to passengers as a result of engineering overruns at Rugby, London Liverpool Street and Glasgow Shields Junction. Thousands of passengers were stranded with very little information about what was happening, and when they could expect rail services to be up and running again. Chaos ensued. We asked Network Rail and Bechtel, the company to whom project management on the West Coast Route Modernisation (WCRM) was contracted out, to appear before us. We questioned the ORR on the New Year overruns when they came before us to talk about the White Paper, and we asked them back a second time, in March, following the publication of their report on the problem. Although the engineering overruns are not directly linked to the White Paper, they cast light on the way in which Network Rail functions, and on crucial relationships within the industry. The events at New Year are a most useful prism through which to examine the ability of Network Rail to fulfil the duties conferred on it, as well as its ability to deliver the objectives set in the White Paper.

The engineering overruns at New Year 2008

35. The ORR’s Report on the overruns concluded that Network Rail had been in breach of condition 7 of its network licence—its general duty to maintain, repair and improve the network—and the ORR therefore imposed a fine of £14 million.68 We will not attempt to go back over the detail of the events, marshalled so succinctly by the ORR, except to provide a summary of the ORR’s main conclusions. The ORR concluded that the three major overruns at New Year were caused by somewhat different problems, though many strands were also common to them all, and to certain previous overruns.

Project and risk management

36. In the ORR’s analysis, the overrun at Rugby was not caused by significant failures of project and risk management before the work started, although the results of the quantitative risk analyses (SQRAs) carried out four and eight weeks beforehand should have led managers to take a less optimistic view of the feasibility of the programme of works.69 However, both Shields Junction and Liverpool Street were, according to the ORR, characterised by very poor project and risk management, and in the case of Shields Junction, the processes used to manage risk were fundamentally flawed.70

37. The ORR concluded that these weaknesses were very similar to those experienced during the Portsmouth re-signalling project in early 2007, and for which Network Rail had had to pay a fine of £2.4 million.71 At that time, the ORR had virtually predicted the scale of

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68 Letter from Bill Emery, CEO, ORR to Iain Coucher, CEO, Network Rail, 28 February 2008. This fine was confirmed on 9 May 2008 see ORR Press Notice 13/08: ORR confirms £14m penalty for Network Rail, when parties affected by the overruns had had the opportunity to submit representations to the ORR.

69 ORR: Report of ORR’s investigation into Engineering Overruns, February 2008, paras 2.19–2.20 and 5.8

70 ORR: Report of ORR’s investigation into Engineering Overruns, February 2008, paras 5.9–5.11

71 ORR Press Notice: Network Rail faces penalty for poor planning, 30 July 2007
the impact on passengers of events at Liverpool Street and Shields Junction. In its July 2007 press release, announcing the fine for the Portsmouth overrun, the ORR had stated that “similar future breaches elsewhere on the network would have an even greater impact on passengers and train operators.” Yet, despite this warning, it would appear that Network Rail had done little to rectify the deficiencies identified by the ORR.

38. The ORR found very significant variations in the nature and quality of the processes used to manage engineering projects as well as assess and manage risks within Network Rail. A process of risk management (SQRA), which had worked well on the West Coast Main Line for several years, was deemed not to be sufficiently robust for the Shields Junction project, and a “fundamentally flawed” process was used instead.

Site management

39. The ORR considered that at both Rugby and Liverpool Street, site management by Network Rail staff was characterised by serious deficiencies. In particular, senior management became aware of the true extent of problems and delays only at far too late a stage.

40. The ORR also emphasised that because of the scale and the critical nature of these particular projects, Network Rail should have given maximum priority to ensuring that work was completed successfully and managed the site accordingly. Network Rail’s reliance on self-certification by contractors was one of the reasons why senior Network Rail managers only realised the true scale of the delays and overruns so late in the day. The ORR admitted that, “it is quite normal practice to accept self-certification of work completed by contractors,” but given the lack of skilled staff and supervisors on site at Rugby, this was no longer an appropriate approach for such a critical project.

41. The management of engineering projects and work sites, together with the associated risks, are core responsibilities of Network Rail. The management of the three engineering projects, which overran at New Year, indicates that there are serious deficiencies in terms of central control and internal oversight mechanisms within Network Rail. It also provides evidence of flawed management of teams and of contractors, including the dubious practice of self-certification.

42. The range of similarities between the Portsmouth overrun in 2007 and the overruns at London Liverpool Street and Glasgow Shields Junction at New Year 2007–08 is significant. The lack of discernible improvement in the intervening twelve months, despite the imposition of a significant fine for the Portsmouth overrun, is a clear indication that either Network Rail’s management has failed to act effectively, or that their actions have not filtered down to the operational level.

72 ORR Press Notice: Network Rail faces penalty for poor planning, 30 July 2007
73 ORR: Report of ORR’s investigation into Engineering Overruns, February 2008, para 5.10
74 ORR: Report of ORR’s investigation into Engineering Overruns, February 2008, paras 5.8–5.15
76 ORR: Report of ORR’s investigation into Engineering Overruns, February 2008, para 2.44
Supplier management

43. Mr McCarthy of Bechtel told us that the contracts used at Rugby contained no penalty clauses and Network Rail’s Chief Executive, Iain Coucher, said that:

We use a whole range of mechanisms with our contractors. [...] There is a balance of contracting models that we use. [...] You cannot transfer all of that risk onto them without them either declining to do the work in the first instance or being unprepared to contract for that work. [...] Normally they engage because they know failure would mean they would not get any additional work. That is the big risk that they take.78

Not surprisingly, the ORR’s report on the Network Rail overruns concluded that “Network Rail does not appear to have optimised the balance between risk and reward with its suppliers.”79

44. We appreciate the need for Network Rail to use a wide range of contracts for suppliers, depending on the individual circumstances of the project and service contracted for. It is also the case that over-zealous penalty clauses could frighten contractors off, or lead them to seek higher rewards in compensation, increasing the cost of the work that is carried out on time and to budget. However, it is surprising that Network Rail does not include penalty clauses in its key contracts as a matter of course. Network Rail needs to re-balance the distribution of risks between itself and its contractors as a matter of urgency.

45. We are not inspired by Mr Coucher’s assertion that contractors’ principal incentive to carry out projects on time and to budget is the threat of failing to win further contracts. There is little evidence of failing contractors being penalised in this way in other areas of the public sector—including, for example, those responsible for the Metronet fiasco. We remain to be convinced that Network Rail is any more cautious in handing out contracts to companies with a history of failure than other areas of the public sector. We conclude that the threat of future exclusion is an insufficient spur to effective discharge of contracts.

46. For the overhead line engineering (OLE) projects to be undertaken during the Christmas period 2007, the ORR identified more than five separate main contractors.80 Network Rail’s own investigation81 into the causes of the overruns had already concluded that the supply chain for overhead line engineers needed to be reorganised so as to achieve greater reliability of delivery on future projects. This would be achieved by building up a larger workforce in-house, and being less reliant on agency staff. The goal would be to replicate, for overhead line engineers the model used for signalling staff, where Network Rail effectively controls the national supply of resources in this key skill set.82 However, the

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77 Q 98
78 Qq 99–101
79 ORR: Report of ORR’s investigation into Engineering Overruns, February 2008, para 5.19
81 Network Rail press notice, “West Coast route to reopen”, 3 January 2008
82 Ev 327
ORR was not confident that the wider problem could be resolved simply by bringing critical staff, such as overhead line engineers in-house. In the ORR’s view, the re-balancing of risk between contractors and Network Rail was a vital component to resolve this problem.\(^\text{83}\)

47. The time has come for Network Rail to bring all strategic resources, such as overhead line engineering staff, back in-house. Network Rail should also ensure that it has a permanent programme to develop and maintain such strategic skills in order that a stable pool of core skills is maintained within the organisation at any one time. This should enable Network Rail to manage key resources with much reduced risks of crucial staff shortages which might cause overruns and endanger the viability of large scale projects such as the West Coast Route Modernisation.

**Communication within Network Rail and with operators and users**

48. As we heard from Virgin, communication from Network Rail to train operators affected by the overruns lacked both clarity and urgency.\(^\text{84}\) In the ORR’s evaluation, the failure of Network Rail to inform train operators of emerging problems with the engineering possessions in good time was due in large measure to the fact that senior managers at Network Rail did not themselves know what was happening on the ground. In the ORR’s view, this gave rise to two important questions:

i. is there undue reluctance by some staff to send unwelcome messages clearly and promptly up through the organisation?

ii. is there too much reluctance by Network Rail to alert operators to emerging risks while they are still striving to contain them (which we acknowledge to be a difficult balance)?\(^\text{85}\)

The ORR did not, at this stage, offer answers to these questions.

49. Communication within Network Rail as well as between it and the train operators is seriously deficient. This is, in part, a consequence of the separate ownership of trains and track. The failure of internal communications within Network Rail makes it impossible for senior managers to take appropriate action and resolve problems as quickly as possible. The failure to communicate adequately with train operators is likely to be, at least in part, a consequence of poor internal communication. Both failures have serious consequences for passengers.

**Leadership and management at Network Rail**

50. The three serious overruns at New Year 2008 affected thousands of passengers, and cost millions of pounds in lost revenue and fines. The Chief Executive of Network Rail, Mr Coucher acknowledged the seriousness of the damage done: “It was unacceptable […] We know that these incidents reflect badly, not just on Network Rail but indeed the whole rail
industry.” He sought to place the overruns in context, explaining that these three instances where things had gone wrong represented a fraction of a huge programme of 5,000 engineering projects costing some £4 billion per annum.  

51. The range and seriousness of management failures as well as the inadequacy of internal processes and structures demonstrated above can leave no-one in doubt about the need for significant improvements in the way Network Rail is managed, and the way it manages its projects. The fact that the ORR has issued a Final Order to Network Rail to secure Network Rail’s compliance with condition 7 of its licence is indicative of the seriousness of the breaches identified. In its letter to Network Rail, announcing the £14 million fine, the ORR required Network Rail to submit, by 31 May, a plan setting out how it intends to remedy the weaknesses identified by ORR, but Network Rail subsequently requested an extension to 30 June, a request agreed to by the ORR. The date whereby all remedial action has to be in place remains 31 December 2008.

52. The engineering overruns over New Year were quite simply unacceptable. Much excellent work is done by a large workforce of good and dedicated staff at Network Rail, but the lack of clear procedures, consistency, communication and management controls combine to undermine all these undoubted achievements. The ORR’s careful analysis of events exposes serious management failures.

53. We fear that the lack of a sense of urgency manifested by Network Rail’s Chairman over the New Year period, as well as when he appeared before us, is symptomatic of widespread complacency within Network Rail.

54. The Government along with the ORR must ensure that the risk of this kind of overrun occurring again—ever—is minimised. The Government, along with the ORR, must monitor closely the progress made by Network Rail over the next year, and examine what structural changes might be required to ensure that Network Rail is capable of managing its projects effectively and consistently.

The White Paper challenge for Network Rail

55. The White Paper requires Network Rail to continue to deliver infrastructure developments and improvements on a large scale, as well as to take a leading position in coordination and planning for the industry as a whole. The company will have to keep up the pace of infrastructure development, improve reliability, punctuality and safety across the network, reduce costs, and take a clearer lead in the industry. According to the White Paper, lengthy possessions over weekends and Bank Holidays will not be appropriate in future, and this will present a challenge to Network Rail. As we noted in our recent report on Freight Transport, Network Rail also needs to make significant and urgent improvements in the service it offers to freight customers, reducing costs and improving quality of service. In particular, we concluded that there was an urgent need for Network

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86 Q 2 (Ev 312 ff.)
87 Letter from Bill Emery, CEO, ORR to Iain Coucher, CEO, Network Rail, 28 February 2008, para 8
88 Letter from Bill Emery, CEO, ORR to Iain Coucher, CEO, Network Rail, 22 April 2008, para 4
Rail to get a better grip on its costs, and to reduce track access charges, already among the highest in Europe, and set to rise still further.  

56. Before it can even begin to tackle the challenges posed by the White Paper, Network Rail needs to deal with the urgent matter of improving the way it manages projects, risks, suppliers and communications. Essential reforms of Network Rail’s systems and processes of management will almost certainly require significant reforms in its governance.

57. The challenge to Network Rail is compounded by the fact that Network Rail’s efficiency levels for both maintenance and renewal operations are poor. Recent studies have found that, in comparison to the railways in other countries in Europe and North America, renewals and maintenance are more costly, less efficient, and cause significantly more “train-delaying infrastructure incidents” in the UK than elsewhere.

**Governance**

58. Network Rail is a company limited by guarantee. Its Board consists of three executive and seven non-executive directors as well as the Chairman, Sir Ian McAllister. Much of Network Rail’s decision-making is delegated to committees, including an Executive Committee. Operations are organised into eight different “routes” which broadly mirror the major franchise areas. The Board is accountable to Network Rail’s ‘Members’.

59. Members fulfil most of the oversight functions ordinarily carried out by shareholders in a limited company. Their tasks include holding the Board to account for the way in which the business is managed, and for monitoring the standards of corporate governance. They have no financial stake in Network Rail and receive no dividends or payments, other than travelling expenses. Members can be either “Industry Members”, representing passenger rail operators, freight operators or infrastructure manufacturers, or they can be “Public Members”, representing passenger groups, industry interest groups or individuals. The Department for Transport is also a member. The number of members is unspecified, so it can vary, but there are currently about 100.

60. Members are appointed by an independent Membership Selection Panel, but the Panel, which may have up to five members, is in turn appointed by the Board of Network Rail, and a non-executive director from Network Rail sits on the Panel. This creates a circular

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90 Q 287


92 Network Rail website: http://www.networkrail.co.uk

93 Network Rail: Policy and Procedure for the Selection and Appointment of the Members of Network Rail: http://www.networkrail.co.uk

94 Network Rail: http://www.networkrail.co.uk

95 Network Rail: Policy and Procedure for the Selection and Appointment of the Members of Network Rail, paras 28-29 http://www.networkrail.co.uk
inter-dependence between Network Rail’s Board and the Membership Selection Panel, which makes the appointment of critical members who are likely seriously to challenge the management of Network Rail less likely.

61. Christian Wolmar, claimed that “members” do little more than listen to the senior management explaining how well they are doing.96 Many of our witnesses agreed, with the Transport Salaried Staffs’ Association (TSSA) arguing that the entire structure needed to be changed so as to strengthen oversight of the performance of the Board,97 and Passenger Focus saying that if the structure remained unchanged, non-executive directors needed to take on a much more proactive and critical oversight function within the organisation.98 London TravelWatch argued that passengers needed to be better represented.99

62. An example where serious scrutiny from members might be expected is that of executive bonuses. On 6 June 2008, the company announced that, in respect of the financial year to April 2008, its staff would receive bonuses totalling £55 million.100 Whilst this sum gets distributed widely, the Chief Executive alone stands to receive more than £305,000. Although Network Rail emphasised that it has outperformed expectations during 2007–08, with punctuality now better than ever before and an after-tax profit of £1.2bn,101 2007–08 was also the year in which Network Rail was awarded the biggest fine ever awarded for licence breach as a consequence of the New Year overruns.102 The ORR expected the licence breach to be reflected in the award of bonuses but noted that, because Network Rail had outperformed its targets in terms of, for example, punctuality, a certain level of bonuses was still expected.103 In a June 2008 consultation document, the ORR has proposed that the incentives structure for Network Rail senior managers be made more transparent, that the criteria be widened to include, for example, compliance with all aspects of the Network Licence and that Network Rail be required to explain how different factors have been balanced in determining the level of bonuses.104

63. It is quite extraordinary for Network Rail to reward its senior managers with huge financial bonuses in a year where passengers have been humiliated and inconvenienced by three separate major engineering fiascos, where an entire catalogue of management failings has been laid bare for all to see, and where a record fine has been imposed for breach of the Network Licence. It is a gesture which adds insult to injury for the long-suffering passengers who have had to struggle with the consequences of the company’s failings. If Network Rail’s members cannot, or will not challenge and block such a move, they are not a body worth having.

96 Christian Wolmar, Transport Times, January 2008, p 15
97 Q 409; see also Q 609; Q 619
98 Q 609
99 Q 619
100 “Bonuses of £55m at Network Rail”, BBC News web-site, 6 June 2008
101 Network Rail Press Release: Train punctuality reaches all time high in a year of improvement on Britain’s railways, 6 June 2008
102 Ev 350
103 Q 541
104 Office of Rail Regulation: Review of Network Rail licence: consultation, June 2008, paras 3.46–3.47
64. We support the ORR’s proposals to alter Network Rail’s licence so as to change the incentives policy. Greater transparency about financial incentives, paid for by tax payers and passengers, is welcome. So is the proposal that incentives should take account of all aspects of Network Rail’s performance against its licence. This should prevent generous bonuses being handed out for good performance in some areas against a background of catastrophic failure in others. Such changes to the framework would not, however, be a substitute for scrutiny and tough questions by Network Rail members.

65. Although they acknowledged that the governance mechanisms at Network Rail were unusual,\(^\text{105}\) both the Minister and the ORR argued that the current governance structure was adequate for the company to rectify its problems and the Minister emphasised that, on the whole, Network Rail had performed well, in some respects outperforming the targets set for it.\(^\text{106}\)

66. We do not agree with the Minister and the ORR that the governance structure of Network Rail is adequate. The range and seriousness of management failings identified above will only be rectified through very strong leadership from the Board combined with robust oversight and challenge by members. This would require a structure that brought accountability for passengers and the public and created a smaller, independent group to whom the Board was answerable for operational matters. Passengers, Government and train operators all have a significant stake in the success of network Rail. The current system where members are effectively approved by Network Rail’s Board, albeit indirectly, is inadequate. We recommend that the Government consider alternative options for a more effective governance and scrutiny of Network Rail.

**The West Coast Route Modernisation Programme**

67. Both the completion of the route modernisation of the West Coast Main Line and the requirement that development and maintenance of infrastructure be undertaken with much fewer and shorter engineering “possessions” in future pose tough challenges for Network Rail. It is a regulatory commitment that Network Rail has to complete the current phase of the route modernisation on the West Coast Main Line by December 2008, enabling the new timetable to come into effect.\(^\text{107}\) The new timetable could not be introduced without the current phase of the works being completed because it will include significant journey time reductions as well as an increase in the number of services, neither of which would be possible without the completion of the works.

68. The ORR report on the engineering overruns expressed significant concerns about the likelihood of the West Coast Route Modernisation Programme being sufficiently advanced by December 2008 for the implementation of the new timetable.\(^\text{108}\)

\(^\text{105}\) Q 501; Q 775
\(^\text{106}\) Qq 515–16; Q 778
\(^\text{107}\) Ev 327
\(^\text{108}\) ORR: Report of ORR’s investigation into Engineering Overruns, February 2008, para 4.10
69. The ORR therefore required Network Rail to review urgently the feasibility of its schedule for the West Coast Route Modernisation in order to determine whether the current phase of the project could be completed on time. Network Rail submitted its review to the ORR on 31 March, and the ORR responded on 12 May 2008, concluding that Network Rail’s strategy for the completion of the current phase by December 2008 was sufficiently robust, though it remained a challenging programme.\(^{109}\) The delivery of the plan will involve a number of disruptive possessions on the West Coast Main Line before December 2008, but following consultation with passenger representatives as well as operators, the ORR concluded that on balance, this option was preferable to delaying the new timetable in order to avoid the high level of disruption.\(^{110}\)

70. The completion of the current phase of the route modernisation on the West Coast Main Line in time for the introduction of the new timetable in December 2008 will provide a final test of the ability of Network Rail to plan and manage major infrastructure projects, as well as of the ability of the Office of Rail Regulation to regulate Network Rail adequately. If this project fails, we would expect the Government to intervene and take responsibility for the integrity of services as well as the introduction of the new timetable on the West Coast Main Line.

**The seven day week challenge**

71. In its report on the New Year overruns, the ORR acknowledged that the current rate of investment in rail infrastructure is unprecedented. It is a challenge to combine the successful delivery of such large volumes of engineering and maintenance work whilst retaining continuity of service for rail users.\(^{111}\) However, the Rail White Paper raises expectations still further by arguing that it is likely to be necessary for Network Rail to find ways to manage upgrades and maintenance projects in such a way that lines are less likely to be closed. If lines do have to be closed, it will need to be for shorter periods than at present. Network Rail should “increase the availability of the network to allow a near-seven-day railway to operate to satisfy the demand of passengers and freight operators.”\(^{112}\)

72. Commentators such as the Institution of Mechanical Engineers and the County Surveyors Society agreed with this approach, arguing that “it is just not acceptable for regular passengers when routes become a “48 week per year” railway.”\(^{113}\) The Institution of Mechanical Engineers suggested that good railway maintenance and development was achieved in other countries without having to shut down lines to anything like the extent that it happens in the UK, and that we could learn from them.\(^{114}\) However, Ian Harrison of the CSS indicated that doing the maintenance and renewal the way it is done elsewhere would not necessarily be straightforward because of a lack of flexibility in the infrastructure

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111 ORR: Report of ORR’s investigation into Engineering Overruns, February 2008, para 5.2

112 Department for Transport: Delivering a Sustainable Railway, CM 7176, July 2007, para 6.18 p 63

113 Ev 134; See also Q 94

114 Q 99
in the UK. Many lines that could have served as alternative routes when maintenance or upgrade work was taking place had been closed down, reducing the flexibility of the system.\footnote{Q 100}

73. We asked Network Rail to provide us with a list of all the delays caused by them on just one line, the West Coast Main Line, between the beginning of January and the end of May 2008. We are of course very conscious that this is a line which is undergoing a major upgrade, and that this project is particularly pressurised in 2008 because of the rush to meet the December deadline for the new timetable to come into force. Also, many delays are caused by circumstances beyond the control of Network Rail. Although we did expect there to be significant delays, the sheer number of delays, and in particular the number of very long delays of several hours, was a surprise. More than 40 incidents on the West Coast Main Line caused delays of more than 24 hours to parts of the line during the five months January to May 2008—and this includes only delays attributed to Network Rail. 171 incidents caused delays of more than 500 minutes.\footnote{Ev 333} This puts into context the announcement by Network Rail that it will be moving towards the 'seven-day-a-week, 365 days a year railway'. Mr Coucher told The Times that:

> the company would find new ways of working to carry out all engineering works at night, and keep to deadlines. Bridges and points will be preassembled in a factory rather than on site and will be lifted into place from rail wagons. Schemes that take a whole weekend currently and require tracks to be closed will be completed in eight hours overnight, allowing services to continue until 10pm and resume at 6am.\footnote{“Railways will run every day of year”, The Times, 19 January 2008}

74. We welcome the commitment of both Network Rail and the Government to the seven-day per week railway, where engineering works are done overnight, avoiding major engineering possessions at weekends and Bank Holidays. Network Rail will need to implement many changes to the network, such as rerouting and double tracking before the seven day per week railway can become anything more than a distant dream. It will also be crucial for Network Rail to make very significant improvements in the efficiency of its renewal and maintenance operations.

75. No other organisation is more important than Network Rail to the achievement of the targets and objectives contained in the Rail White Paper and the High Level Output Statement. If Network Rail fails, the industry as a whole will fail. The Government and the ORR, in collaboration with Network Rail itself, must take action to ensure that it is equipped to meet the challenges ahead.
4 Capacity – accommodating growth?

76. With rail patronage having increased by 40% over the past decade, the White Paper and the HLOS acknowledge that capacity has not kept pace with demand on key sections of the network. Load factors—the ratio of the number of passengers on a train to the number of passengers it was designed to carry—have increased on some services to the point of overcrowding. There is an urgent need to plan and invest in order to accommodate future growth, and to alleviate current overcrowding. The primary objective of the White Paper and the HLOS is to increase passenger and freight capacity.

The Government’s plans

77. The White Paper applies the Eddington principles for maximising the value for money of capital investments by drawing up a hierarchy of five different types of solutions to capacity problems, ranging from the low-cost, easy to implement and non-contentious through to multi-billion pound infrastructure projects likely to take a long time and a lot of disruption to implement. The plan is for each rail line to be evaluated individually in order to assess the severity of capacity constraints as well as the range of solutions available on that particular line. On that basis, solutions are meant to be tailor-made for individual lines, balancing the severity of need against the costs so as to maximise the benefit of the money invested to the largest possible number of passengers. The five different types of solutions set out in the White Paper are:

i. Maximising use of existing rail infrastructure by increasing service frequency. This is not always an option, but where it can be achieved, it is a relatively cheap solution;

ii. Lengthening existing train services. In many cases, this would require only limited investment such as platform-lengthening or upgrades in power-supplies;

iii. Enhancing the infrastructure so as to improve both frequency and capacity. This may require a higher level of investment such as station re-developments and the elimination of pinch points on the line;

iv. Simplifying service patterns. This would entail a reorganisation of stopping patterns on some routes, which would inconvenience some passengers, and

v. Making “step-changes” in infrastructure. Such measures might include multi-tracking existing lines or building new lines. These measures tend to take decades to complete and cost billions of pounds.

78. In every case where a capacity problem is identified, the possibility for a level 1 solution is tested. Only if no level 1 solution can be found, or if it is inadequate will a level 2 solution

118 See Department for Transport: Delivering a Sustainable Railway, CM 7176, July 2007, Appendix A, para A9
119 Department for Transport: Delivering a Sustainable Railway, CM 7176, July 2007, Executive Summary
120 Department for Transport: Delivering a Sustainable Railway, CM 7176, July 2007, para 4.9
be considered, and so forth. Efforts to increase capacity during the 2009–14 period (Control Period 4) will be targeted at routes and services with the most serious problems.

79. The HLOS sets out the following shopping list of key measures to improve capacity on the network by the end of Control Period 4 in 2014:

i. Stabilisation or reduction in the load factors on lines into London and other major cities during the morning peak;

ii. On London lines where average load factors cannot be reduced to less than 70%, Thameslink and Crossrail should be able to relieve the situation;

iii. The introduction of 1,300 extra carriages along with any necessary lengthening of platforms and other upgrade work, and

iv. Thameslink and Crossrail for London; major station upgrades for Birmingham New Street and Reading Stations; infrastructure investments to accommodate the new Intercity Express rolling stock; radio-based signalling; and preparation for a strategic rail freight network.

**Services for urban areas**

80. Commuting into major cities by rail has increased significantly over the past decade. There has been 32% growth in commuting into London, and an average of 60% growth in other major cities such as Leeds, Bristol, Manchester and Birmingham. However, DfT research indicates that rail commuting remains far more common in London, and the capacity problem is much greater there than in other cities. This is partly because trains are already much longer, with less scope for further lengthening, and because there is often little scope for running extra services. The White Paper sets out the Government’s commitment to a range of measures to increase capacity on urban rail services, the primary method being to lengthen trains—1,200 new carriages are to be added to network capacity. In addition, London also gets most of the benefit of Thameslink and Crossrail.

**Inter-urban services**

81. During the decade from 1995, the demand for inter-urban rail services increased by 35%. Apart from long-distance inter-city journeys such as London to Manchester or Glasgow, these rail services have also increasingly come to be used by commuters travelling shorter distances, increasing load-factors in peak hours. The Government’s growth

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121 Department for Transport: *Delivering a Sustainable Railway*, CM 7176, July 2007, para 4.9 and 4.11
122 The White Paper did not commit Government funding to this programme, but such a commitment followed on 5 October 2007
123 Department for Transport: *Delivering a Sustainable Railway*, CM 7176, July 2007, para 4.22
124 Department for Transport: *Delivering a Sustainable Railway*, CM 7176, July 2007, para 5.6
125 Department for Transport: *Delivering a Sustainable Railway*, CM 7176, July 2007, figure 5.2
126 Out of a total of 1,300 new carriages for England and Wales. See Department for Transport: *Delivering a Sustainable Railway*, CM 7176, July 2007, Chapter 5
127 Department for Transport: *Delivering a Sustainable Railway*, CM 7176, July 2007, para 6.2
128 Department for Transport: *Delivering a Sustainable Railway*, CM 7176, July 2007, para 6.5
projections indicate that demand on inter-urban rail services may increase by 73% by 2030, but given the uncertainty of such estimates, the emphasis is on providing flexible solutions such as trains that can be lengthened or shortened so as to suit circumstances at any one time.\footnote{129 Department for Transport: \textit{Delivering a Sustainable Railway}, CM 7176, July 2007, paras 6.6–6.10}

82. In order to remedy overcrowding on inter-urban services, and prevent a deterioration of conditions caused by the projected future growth in passenger numbers, the Government has committed to two specific measures in addition to the general capacity enhancement initiatives set out at paragraph 79 above. Intercity Express rolling stock will come into full service by 2015, and funding for the development and implementation of radio-based cab-signalling, which would allow a significant increase in service frequency without compromising safety standards, is also planned.\footnote{130 Department for Transport: \textit{Delivering a Sustainable Railway}, CM 7176, July 2007, para 6.19}

\textbf{Regional and rural services}

83. The White Paper notes the wide variation in the nature of regional and rural lines, some of which are tiny branch lines, whilst others are relatively busy dual-track lines between towns. Most of the regional and rural network has low load factors, and there is no need to increase capacity. There are exceptions to this, and the Government will make a pool of 30 additional carriages suitable for these lines available for use where required in response to increased demand.\footnote{131 Department for Transport: \textit{Delivering a Sustainable Railway}, CM 7176, July 2007, para 7.20 p 74} The White Paper also commits the Government not to close any regional or rural lines, though it is acknowledged that this position may change beyond 2014.\footnote{132 Department for Transport: \textit{Delivering a Sustainable Railway}, CM 7176, July 2007, para 7.14 p 72}

84. \textit{We are pleased that the Government has recognised the need to plan for growth on the railways, and we congratulate Ministers on the development of the first structured plan to develop our railways in many decades. We hope this will be the first of many such plans.}

\textbf{Forecasting and planning for growth}

85. The White Paper is based on passenger demand forecasts which indicate that demand will continue to grow significantly – a further 30% over the next decade on top of the 40% growth seen over the past ten years.\footnote{133 Department for Transport: \textit{Delivering a Sustainable Railway}, CM 7176, July 2007, para 7.14 p 72} However, many of our witnesses questioned the validity of the Government’s growth forecasts, arguing not only that the forecasts are too cautious, but also that they fail to take account of differentiated local and regional development.\footnote{134 Ev 134; Q 163; Q 193; Q 475; Q 578; Q 656}
**Overly cautious?**

86. Bombardier Trains told us that there was a widespread belief in the industry that the Government’s growth estimates were very conservative, and that the plan to procure 1,300 new carriages would prove insufficient to cater for the likely growth in rail patronage.\(^{135}\) Passenger Focus noted that forecasts of passenger numbers had traditionally been unreliable, with the Strategic Rail Authority having consistently underestimated growth on many routes by a significant margin in the past. Mr Foxall of Passenger Focus also maintained that the Department was well aware of the inadequacy of its growth forecasts.\(^{136}\)

87. Virgin Trains told us that forecasters and policy makers developing the HLOS and White Paper plans needed to take advice from the people on the ground, in other words freight and passenger rail operators. The passenger and overcrowding figures on the West Coast Main Line (WCML), predicted by the Government for 2014, would, in Virgin’s assessment, be reached by 2011.\(^{137}\) Mr Collins from Virgin explained:

> They are forecasting on average a real growth in passenger volume of about 3% per annum. They then predict the overcrowding levels would get to an unacceptable level by around 2014. Currently as an industry we are achieving twice that rate of real growth so we are achieving about 5.9% of real growth per annum and there is no reason to suggest, even with a slight downturn in the economy, that that type of growth will not continue for the foreseeable future.\(^{138}\)

88. The Campaign for Better Transport made the important point that the White Paper’s passenger growth estimates are based on low oil prices, and that if the dramatic rise in oil prices were to persist, this, along with other potential changes such as new congestion charging schemes, are likely to cause significant additional growth in rail passenger numbers.\(^{139}\)

89. Professor Begg pointed to evidence of a fundamental shift in the relationship between rail patronage and income. There has traditionally been a relatively direct link between the state of the economy and the number of rail journeys undertaken.

> In the railway in the past we have worked on the assumption that a 1% growth in GDP would increase rail passenger demand by around 2%, maybe just slightly over, but if anything the evidence from the last five years is that we have got much higher income elasticities than that.\(^{140}\)

Growth forecasts, he suggested, needed to be adjusted to reflect this change in the relationship between GDP and passenger demand.\(^{141}\)
Geographic differentiation

90. Many witnesses questioned whether the demand forecasts used by the Department were sufficiently sophisticated in terms of local and regional developments affecting rail passenger numbers. They also questioned whether there was adequate communication and co-ordination of forecasts and policy between the DfT and other Government Departments and regional administrations.

91. The County Surveyors Society explained to us that the White Paper and the HLOS for the 2009–14 period are based on passenger growth forecasts developed from the Passenger Demand Forecasting Handbook. As such, the estimates are “policy neutral”:

This totally fails to recognise the emphasis of Regional Spatial Strategies which encourage housing growth and economic development at significant cities and towns on the rail network, without commensurate increases in highway capacity, therefore placing an expectation of significant growth in demand for rail services.142

The Northern Way pointed out that, if successful, policies to narrow the economic growth gap between the North and the South of England would result in significant increases in passenger numbers on trans-Pennine as well as north–south routes. It was vital, they believed, that this was factored into growth forecasts and rail planning at this stage. Any delay in so doing could, in their view, damage the economic prospects of the North of England.143

92. Several regional authorities had identified significant discrepancies between the Department’s growth forecasts and those resulting from detailed work on Regional Planning Assessments (RPA), Regional Spatial Strategies (RSS) and Regional Economic Strategies (RES). The West Midlands Regional Rail Forum was concerned that, although there were 23 routes with “targeted increase in capacity” in the West Midlands, little account had been taken of the expected housing growth and its distribution across the region.144 Furthermore, the Department’s forecasts did not, in their view, take modal shift trends on certain routes adequately into account. One example was the modal shift for journeys into the centre of Birmingham, where the share of journeys completed by rail had increased by eight percentage points over the past decade to the point where 40% of journeys were now by rail.145 The South West Regional Assembly and the South West Regional Development Agency echoed this, explaining that the South West Regional Economic Strategy (RES) for 2006–15 and the Regional Spatial Strategy (RSS) 2006–26 forecast strong growth for the region, particularly in Bristol, Swindon, Exeter and Plymouth.146 The recently completed Spatial Strategy for the region planned for the construction of 550,000 new houses over the next twenty years,147 which was not adequately reflected in the Department’s passenger forecasts. The South West

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142 Ev 134
143 Ev 178
144 Ev 176
145 Q 685
146 Ev 139; See also Ev 134
147 Q 686
representatives also called for “a mechanism to allow the projections to be adjusted to accommodate the higher relative growth in some areas.”

93. CILT argued that communication and coordination between different Government departments was the only way to improve the accuracy of passenger demand forecasts, ensuring that they reflect regional policy, land use planning and housing developments. The West Midlands Regional Rail Forum called specifically for closer cooperation with the Department for Communities and Local Government in order to better incorporate local patterns of population and housing growth into Route Utilisation Strategies and investment programmes.

94. The Minister did not have much time for concerns about the adequacy of growth forecasts, arguing that “we are providing enough capacity to meet that and to improve it in most parts of the country, particularly in the [...] conurbations outside London”. On the issue of whether forecasts and rail planning took sufficient account of local and regional changes in demographics and economic growth, he was no more forthcoming.

95. In an industry where the development and procurement of infrastructure takes many years, or even decades, it is crucial that forecasting is as accurate and sophisticated as possible. We are concerned that the Government is failing to take the concerns of the industry seriously, and that the Department appears to be working in isolation when it comes to predicting future rail patronage. We recommend that the Department revise its method for predicting developments in rail patronage, in collaboration with other Government Departments as well as local and regional authorities.

Network capacity

Building new infrastructure

96. The White Paper asserts that, if the investment levels proposed in the HLOS are maintained through future control periods, no major new infrastructure will be required until 2030. However, it also acknowledges that options for major infrastructure enhancements need to be evaluated sooner rather than later because of the lead times for such projects. Iain Coucher of Network Rail concurred with the assessment that, in the longer term, parts of the network would become saturated, and that it would be necessary to build new lines. He told us that it was likely that the West Coast Main Line, the East Coast Main Line, and the Midland Main Line would be the first to saturate.
97. Indeed, some witnesses argued that certain lines were likely to reach saturation point well before 2030, and as Jim Steer pointed out, even the Department’s own policy document, *Towards a Sustainable Transport System*, indicated that “very substantial additional capacity” is likely to be required on the West Coast Main Line by 2024 despite the 50% increase following from measures set out in the White Paper. Network Rail indicated that the current infrastructure on the West Coast, East Coast, and Midland Main Lines might suffice for only another five to seven years. Mr Coucher acknowledged Network Rail felt it necessary to start planning work now:

> I think it is incumbent on the delivery side of the rail industry that it should have a clear view about where it would go, what markets it should serve and the package that passengers want. We should make sure it is designed to meet the needs of passengers and freight users. We should have a clear view about what that should look like for the inevitable programme of consideration by the Government. Yes, we would like to get on and do that sooner rather than later.

In other words, time is of the essence, and on 23 June 2008 Network Rail announced that it has commissioned a major study of options for the construction of new lines, conventional or high-speed, on five strategic rail corridors across the UK.

98. The Government’s approach to increasing capacity on the rail network through investment in infrastructure is over-cautious. While we welcome the small-scale measures such as platform lengthening and station re-modelling included in the High Level Output Statement, we are convinced that significant investment in new rail lines will be essential, and the Government must join Network Rail to plan for significant expansion of the network sooner rather than later. An investment plan to remove those among the 15 pinch points, identified in the 1998 White Paper, which have not already been remedied, should be produced urgently.

**Line closures and the reopening of disused rail lines**

99. The White Paper does not envisage the closure of any currently functioning rail lines, but neither does it promise that any disused lines will be re-opened. The commitment not to close lines was broadly well-received, but several organisations, such as the Campaign for Better Transport, argued that the failure to contemplate the reopening of disused lines was a missed opportunity. The County Surveyors Society argued that better use could be made of many small lines as diversion routes during maintenance works. Somewhat

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155 Q 57
156 Department for Transport, *Towards a Sustainable Transport System*, October 2007, p 66
157 Qq 238–240
158 Q 241
159 Q 242
161 See for example Q 112
162 Q 651
163 Q 112
surprisingly, the Minister argued that there was no point in reopening disused lines in order to create additional capacity unless massive quantities of new rolling stock was procured to run on such lines.\textsuperscript{164} We welcome the Government’s commitment not to close railway lines. However, we find the Minister’s argument against the possibility of re-opening disused lines less than convincing. The notion that the immediate availability of rolling stock should dictate whether a rail line is reopened puts the cart before the horse. If there is sound justification for reopening a line, either because extra capacity or a diversionary route is required, then rolling stock will simply have to be acquired for it.

100. Some witnesses were especially concerned that the White Paper fails to guarantee the preservation of disused lines for potential rail use in the future.\textsuperscript{165} With particular reference to the three Tunnels on the old Woodhead Line between Sheffield and Manchester, Network Rail thought it was important that any alternative use of the lines should be reversible, should the need to reopen the rail line ever materialise.\textsuperscript{166} Sustrans told us about a commendable organisation called Railway Paths Ltd which is dedicated to maintaining disused railway bridges and lines, thereby preserving the basic integrity of disused routes.\textsuperscript{167} Transport Watch advocated the idea that disused lines, and even lightly used lines, should be converted to roads, though they seemed to be alone in this view.\textsuperscript{168} The Minister, however, argued that decisions about the preservation of disused lines were largely a matter for local authorities, and that it would represent poor value for money, and indeed be ineffective, for the Government to have a policy on this matter.\textsuperscript{169}

101. The time and cost involved in developing new railway lines from scratch is vast, compared to the cost of preserving and maintaining the large network of disused lines for possible future use. The Government must make a commitment that all disused lines with any potential for future rail use, be it as part of the strategic rail network or as diversionary routes, should be preserved. Where such lines are put to other uses, this must be reversible so that they can be re-commissioned, should the reopening of the railway become an option.

\textbf{Rolling stock}

102. The White Paper specifies that 1,300 new carriages will be purchased, to relieve congestion, predominantly on urban services.\textsuperscript{170} A Rolling Stock Plan, published in January 2008 provided additional detail about the deployment of new rolling stock.\textsuperscript{171} A number of our witnesses thought that the additional 1,300 carriages would be inadequate. Richard Brown CBE of Eurostar UK said that this was a short to medium enhancement to capacity,
with more needed in the longer term. Planning for the longer term needed to begin now.\textsuperscript{172} The RMT said that:

\begin{quote}
the additional carriages will be insufficient to cope with projected passenger growth on services which are already overcrowded and where demand is expected to rise by more than 20\% by 2014. The failure to order enough additional stock could well lead to an unedifying bidding war between train operators as they compete for the additional carriages.\textsuperscript{173}
\end{quote}

103. Others were concerned that too little rolling stock was planned for areas other than London. The County Surveyors Society told us that the additional 30 carriages for rural areas were “nowhere near enough.” In their view, capacity increases in such areas were comparatively cheap to provide because, over and above the rolling stock, no alterations to the infrastructure, such as platform lengthening, were normally required.\textsuperscript{174} The Railway Forum highlighted that the growth in rail demand in cities such as Birmingham, Leeds and Manchester was almost twice the level in London, and that more carriages would be needed in these cities.\textsuperscript{175} However, even in London and the South East, which are scheduled to receive over 1,000 new carriages by 2014, Brian Cooke from London TravelWatch believed more would be needed. At best, the new vehicles would cater for the increase in demand between now and 2014, but it would not relieve overcrowding.\textsuperscript{176}

104. The West Midlands Rail Forum drew the Committee’s attention to the fact that simply looking at numbers of carriages could give a false picture because some carriages had more seats than others. In some cases, the Rolling Stock Plan envisaged stock being replaced with other carriages with fewer seats than the old stock.\textsuperscript{177} The South West Regional Assembly and the South West Regional Development Agency were concerned that the quality of some second-hand rolling stock, which would be cascaded down to their area, was inferior. The South West was not in line to receive any of the new rolling stock at all.\textsuperscript{178}

105. Network Rail reassured us that the new rolling stock was adequate for the first five years (Control Period 4), and if deficiencies were detected, there was enough flexibility in the system to bring in additional trains.\textsuperscript{179} The assurance that the system is flexible was particularly interesting in the light of the Minister’s acknowledgement that there is currently no slack in the rolling stock market, in fact there is a shortage of stock available for lease.\textsuperscript{180} It is unclear from where flexibility in such a market would come.

\textsuperscript{172} Q 193
\textsuperscript{173} Ev 160
\textsuperscript{174} Q 136
\textsuperscript{175} Q 76
\textsuperscript{176} Q 581
\textsuperscript{177} Q 694
\textsuperscript{178} Q 696
\textsuperscript{179} Q 228
\textsuperscript{180} Q 832
106. The Minister admitted that, given current levels of growth in passenger numbers, it was easy to get the sense of having to run to stand still. He sought to reassure us that the 1,300 new carriages would indeed reduce overcrowding, even though it might be too little to be perceptible to passengers:

It comes to a judgment about whether people can actually tell. In a very, very crowded train if there is a 10% increase in capacity sometimes you could be forgiven for not noticing that there has been that 10% increase.\(^{181}\)

This hardly amounts to a ringing endorsement of the Government’s efforts to reduce overcrowding on the railways.

107. The 1,300 new carriages pledged in the High Level Output Statement are much needed and very welcome. But it is clear that, due to the growth in rail patronage, the new stock is unlikely to relieve overcrowding significantly.

108. We note how little new rolling stock is going to be available to areas outside London and the South East. We expect the Government to address this imbalance through the cascading of rolling stock throughout the system. It is essential that all rolling stock is well matched to the circumstances and requirements of individual lines and that old rolling stock is not replaced by newer, but less suitable cars.

**Procurement and management of rolling stock**

109. Several witnesses expressed concern about the way in which rolling stock is procured and managed, and whether the most appropriate stock is being purchased. The Competition Commission is currently carrying out a major inquiry into the rolling stock leasing market in the UK. We will await the Commission’s findings before making detailed comments on the performance of the market in rolling stock, and our comments here will concentrate on the role of the Department for Transport in strategic decision-making and procurement.\(^{182}\)

**Strategy and procurement**

110. A Rolling Stock Plan was published by the Department for transport on 30 January 2008, fleshing out where the 1,300 new carriages planned in the High Level Output Statement (HLOS) would be deployed, and giving some indication of the way in which older stock would be cascaded down to other lines. Given that the life span of rolling stock tends to be around three decades, outlasting several successive franchises, a degree of central control would appear to be essential.\(^{183}\) However, some witnesses were less than impressed with the strategic decision-making of the Department. Mr Ford suggested, for example, that Britain was the only country in Europe to continue to run high speed (inter-city) trains with diesel, and that this was a costly policy because Britain was unable to buy

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\(^{181}\) Q 833


\(^{183}\) Q 373
‘off-the-shelf’ rolling stock as was the norm elsewhere. Angel Trains was concerned that the DfT was slow, and effectively delayed the introduction of new rolling stock on the network. It had taken three years and £6.7 million in consultants’ fees for the DfT to develop the specifications for the Intercity-Express trains which will replace the current Inter City 125 fleet.

111. Angel Trains told the Committee that “virtually all strategic decisions and many lower order decisions” were now taken centrally by the Department for Transport. This was true for the procurement of new rolling stock as well as the allocation of new and existing stock to individual train operating companies and routes. In their view, the Department was exercising very tight control of rolling stock through the franchising process where the number and type of trains were specified for each individual line. Despite the fact that rolling stock was leased directly by train operating companies, the Department had to countersign every leasing agreement. Furthermore, Bombardier told us that the rolling stock manufacturing and leasing industries had not so far been involved in the Department’s discussions with Network Rail and train operators about the procurement of new rolling stock. Angel Trains added that the industry could add significant value to the process in terms of cost savings as well as preventing problems and smoothing the process. It is entirely appropriate that strategic decisions about rolling stock procurement and specification should be taken centrally. Given the level of fragmentation of the industry, there is no other way to ensure sensible use of taxpayers’ money for long-term investments such as rolling stock. However, we are concerned that the Department may not have adequate and appropriate expertise to handle such vital strategic decisions in-house, and to do so efficiently. Matters of such importance should not be left to expensive external consultants.

Feast and famine procurement patterns

112. Bombardier Transportation told us that train manufacturers existed in a feast or famine situation. Whereas 5,000 replacement carriages were produced between 1996 and 2007, there would be no replacements at all during 2007–10. Between 2010 and 2014, 1,500 carriages were then due to be procured. Whilst this was not a new problem for the industry, it remained a very serious one which ultimately cost taxpayers dearly. There was now just one rolling stock manufacturer left in Britain, and Bombardier argued that:

“No manufacturer can realistically maintain a world class capability in the UK with a continued ‘feast or famine’ approach to rolling stock replacement. Consequently, the rolling stock manufacturers have requested the Department for Transport to undertake a strategic overview of the procurement of new rail vehicles to moderate or remove the peaks and troughs for new rolling stock.”

184 Q 52
185 Ev 291; Bids to build the intercity Express were submitted in May 2008. A contract is expected to be awarded in April 2009, with trains entering full service in 2015.
186 Ev 291
187 Qq 450–452
188 Q 453
189 Ev 238
When giving oral evidence, Colin Walton of Bombardier told us that a sustained programme of manufacture could save tax payers about 10% on the cost of new rolling stock, and that, apart from the importance of maintaining rolling stock manufacturing in the UK, it was therefore important to improve the way in which rolling stock procurement was managed.\textsuperscript{190}

113. We look forward to the Competition Commission’s report on the rolling stock market in the UK, due in 2009. In the meantime, the Department must improve its rolling stock procurement strategy so as to create a stable and consistent pattern of procurement. By doing so, it will achieve the best value for money for tax payers, and it will ensure that Britain can continue to have a rolling stock industry.

\textit{Station capacity}

114. The White Paper and HLOS sets out the Government’s intention to eliminate two serious pinch points on the network by re-modelling and upgrading the stations at Reading and Birmingham New Street.\textsuperscript{191} Both stations are key interchanges on busy intercity routes,\textsuperscript{192} and particularly in the case of Birmingham, the city is itself a destination for large numbers of commuters. The re-modelling is intended to increase capacity at the stations, in Birmingham by increasing passenger capacity and in Reading by increasing the number of train movements.\textsuperscript{193}

115. Witnesses broadly welcomed the two projects\textsuperscript{194} although some could not understand why Birmingham and Reading had been chosen over, for example, Manchester and Leeds where serious congestion problems also create pinch points.\textsuperscript{195} “The Department’s answer was that stations had been selected from the Government’s list of pinch points on the basis of cost–benefit appraisals.”\textsuperscript{196} The Minister also told us that the commitment in the HLOS of funding for major remodelling work at Birmingham and Reading stations in no way precluded improvements to other stations. He highlighted ongoing work by Network Rail to establish what improvements were needed on the Manchester hub.\textsuperscript{197} “The Northern Way told us that since the HLOS, £60 million for work on the Manchester Rail Hub had been included in Network Rail’s Strategic Business Plan,\textsuperscript{198} and the Government’s October 2007 report, \textit{Towards a Sustainable Transport System}, indicates that solutions are being sought to the capacity problems of the Manchester region as a whole.”\textsuperscript{199}

116. Peter Rayner thought it was non-sensical to spend £200 million on what, in his view, were merely cosmetic improvements to Birmingham New Street that did not improve the

\begin{itemize}
\item \textsuperscript{190} Q 450
\item \textsuperscript{191} Department for Transport: \textit{Delivering a Sustainable Railway}, CM 7176, July 2007, para 6.22
\item \textsuperscript{192} Reading on the Great Western Mainline and Birmingham New Street on the West Coast Main Line
\item \textsuperscript{193} Department for Transport: \textit{Delivering a Sustainable Railway}, CM 7176, July 2007, para 6.22; See also: Q 276; Q 721
\item \textsuperscript{194} See for example Ev 280
\item \textsuperscript{195} Q 64; Q 729
\item \textsuperscript{196} Q 870
\item \textsuperscript{197} Q 869
\item \textsuperscript{198} Q 693
\item \textsuperscript{199} Department for Transport, \textit{Towards a Sustainable Transport System}, October 2007, para 24
\end{itemize}
throughput of trains. He argued that the situation of the station made it impossible to increase capacity in any significant way: “New Street is a suburban station in the middle of Birmingham”. The West Midlands Regional Rail Forum acknowledged that the potential for increasing the number of trains through Birmingham New Street was very limited, though they pointed out that the works would enable the station to take longer trains.

117. We welcome the Government’s commitment to re-modelling stations that are significant pinch points on the strategic rail network. We acknowledge the importance of improving the serious passenger overcrowding at Birmingham New Street Station, but we are not convinced that the current project is adequate. The Government must address the issue of whether Birmingham New Street is ever going to be able to accommodate the throughput of trains required in two or three decades, when the number of services might have doubled. If the station cannot be adapted to such throughputs, then the Government must look for alternative solutions now.

118. We welcome the Minister’s assertion that the Government is looking at other major pinch points on the network such as Manchester, and that investments to remodel such stations might be forthcoming. We remind the Government that the elimination of such pinch points on the rail network in the north of England is vital to achieve the rail capacity improvements, which in turn will underpin efforts to drive up economic growth and prosperity in the region. We do not expect to wait till the next HLOS before action is taken.

**Station modernisation**

119. The HLOS also promises £150 million to refurbish and modernise 150 “intermediate” railway stations. Although such investment would serve more to enhance passenger experience than to increase capacity, this is nonetheless a measure welcomed by most witnesses. Stations to be modernised will be selected in consultation with Passenger Focus, local authorities and train operating companies. Network Rail told us that additional funding from other sources would also be sought, and that where such additional funding was forthcoming, it might affect priorities. We heard concern that the process of selecting stations for upgrades lacked transparency, and that the emphasis on footfall might result in an overemphasis on stations in London, the South East and other urban areas. We welcome the HLOS commitment to modernise and upgrade 150 stations. We expect the Government to ensure that the process of selecting stations is fully transparent, and we encourage Network Rail’s drive to secure additional funding from other sources for the station refurbishment programme.

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200 Qq 329–330
201 Q 331
202 Q 724
203 Qq 722–723
204 Department for Transport: *Delivering a Sustainable Railway*, CM 7176, July 2007, paras 10.65–10.67
205 Q 274
206 Ev 117
Encouraging modal shift

120. A number of our witnesses were disappointed that the White Paper did not commit the Government to encouraging passengers from road and air onto the railways – a ‘modal shift’. Some, including London TravelWatch, even suggested that the White Paper might discourage modal shift by altering the balance of funding so that passengers would pay a greater share of the cost of the railways. Transport for London highlighted research suggesting that for every 1% increase in rail fares, demand for rail services declines by approximately 0.25%, with the strongest impact being on long-distance routes and the leisure travel market.

121. We heard a range of arguments as to why the Government should encourage modal shift towards the railways. One is that rail is a more environmentally sustainable mode of transport than road or air. On the London to Paris route, the IME told us, a passenger travelling by train accounted for 90% less CO₂ emissions than a passenger doing the same journey by plane.

122. Ian Harrison of the County Surveyors Society noted that the total demand for transport was increasing, and satisfying this could not be done through road-building alone. Local authorities were therefore keen to encourage the development and enhancement of other modes, including rail. He was confident that there was suppressed demand in some areas, either through lack of train capacity or through lack of frequency. The South West Regional Assembly and the South West Regional Development Agency pointed out that people are not going to switch to rail travel unless overcrowding is reduced significantly.

123. Jim Steer, of Greengauge 21, argued that planning for the railways into Northern cities needed to include the ability to accommodate a significant shift of commuting from road to rail which was likely to come about as a result of the planned economic expansion.

124. The Government should encourage modal shift. Amongst arguments for embracing a policy to promote a modal shift away from roads and air and towards the railways, environmental impacts along with congestion management are the most compelling. We expect the next High Level Output Statement to include detailed plans and targets for significant increases in the share of journeys made using the railways.

207 See for example Ev 160; Q 129
208 Q 612; See also Ev 228; Ev 251; Q 738
209 Q 735
210 Ev 155; Ev 214; Ev 251
211 RWP 34
212 Qq 134–135
213 Q 697
214 Q 66
5 Financial sustainability

Financing the High Level Output Statement (HLOS) objectives

125. The HLOS proposed a total level of Government subsidy for the railways in the 2009–14 period of more than £15 billion. This would represent a decrease against the 2000–2008 period,\(^{215}\) where Government subsidy reached a peak of more than £4.5bn in 2004–05,\(^{216}\) and generally remained between 40% and 50% of overall rail costs. By way of comparison, the Government had contributed just 25–35% of total costs in the second half of the 1990s.\(^{217}\) The steep increase since 2000 has primarily been used to fund the very significant rise in capital investments, initiated after the Hatfield crash, to renew infrastructure and rolling stock.

126. The HLOS states that a high level of investment could be maintained over the 2009–14 period despite declining Government subsidies. This would be possible because fares income was expected to continue to grow as a result of the increase in passenger numbers, and because of efficiency gains at Network Rail would make the money invested go further. Network Rail is on target to increase efficiency by 31% over the 2003–09 period,\(^{218}\) and the ORR believes that Network Rail needs to make further savings amounting to 21% in the course of the 2009–14 period.\(^{219}\) Network Rail has so far contested the ORR’s projections, arguing that it can save no more than 13% in this period.

127. The HLOS envisaged that the balance between subsidies to support passenger franchises and the network infrastructure would shift significantly. As illustrated in Table 1 below, at the beginning of Control Period 4, more than half of the Government subsidy for the railways will go towards franchise support, but by the end of the period, it is projected to be less than 25% of total Government spending. Given that overall Government support for the railways is set to decline year on year in real terms, this is a significant shift away from operational subsidies.

\(^{215}\) Department for Transport: Delivering a Sustainable Railway, CM 7176, July 2007, p 7
\(^{216}\) Department for Transport Annual Report 2007, CM 7095, May 2007, p 72
\(^{217}\) Department for Transport: Delivering a Sustainable Railway, CM 7176, July 2007, para 12.16 p 126
\(^{218}\) Department for Transport: Delivering a Sustainable Railway, CM 7176, July 2007, para 12.10 p 125; The White Paper indicates that £10 billion will be invested in the enhancement of capacity over the 2009–14 period.
Table 1: Planned distribution of Government subsidies for the railways 2009–14

<table>
<thead>
<tr>
<th>Statement of funds available per year</th>
<th>£m, nominal (prices of the day)</th>
<th>2009–10</th>
<th>2010–11</th>
<th>2011–12</th>
<th>2012–13</th>
<th>2013–14</th>
</tr>
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<td>3,031</td>
<td>3,122</td>
<td>3,043</td>
<td>2,977</td>
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<tr>
<td>Illustrative split:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Franchise Support</td>
<td></td>
<td>1,612</td>
<td>1,386</td>
<td>1,105</td>
<td>856</td>
<td>535</td>
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<td></td>
<td>1,544</td>
<td>1,645</td>
<td>2,017</td>
<td>2,186</td>
<td>2,442</td>
</tr>
</tbody>
</table>

Source: Department for Transport: Delivering a Sustainable Railway, Table A1, p145

Controlling costs

128. Numerous witnesses pointed to weak cost control as a key issue that the rail industry needed to tackle. Roger Ford estimated that although the total income of the railways was now twice the level in 1989–90, project costs were three times higher than at that time. He acknowledged that external circumstances beyond the control of the industry, such as health and safety legislation, had served to increase costs, but even so, costs were, in his view, effectively out of control.221

129. The RMT argued that one key reason for the spiralling costs of the industry was privatisation:

   The premise of railway privatisation, that it was going to bring private capital into the industry, is fundamentally turned on its head when you look at the reality, which is that is taxpayers’ money haemorrhaging out of the industry year on year on year, whether it is in the pockets of train operating companies or whether it is in the banks that underwrite Network Rail.”222

130. A Periodic Review, conducted by the ORR, determines the precise outputs, revenue requirement and access charges for Network Rail in a forthcoming Control Period. The Periodic Review currently being undertaken (PR08) considers Control Period 4 (CP4) which will run from April 2009 to March 2014. PR08 is aimed at balancing the objectives and targets set out by the Government in the HLOS, the Statement of Funds Available (SoFA), and the funds Network Rail has indicated, in its Strategic Business Plan, will be required to achieve the Government’s objectives. The ORR published Draft Determinations for the Periodic Review 2008 in June, indicating that it believes Network Rail can make significant cost savings during the 2009–14 period and still achieve the Government’s objectives.223 In the ORR’s view, Network Rail should be able to increase efficiency for maintenance and renewal operations by 23% over the five year period whilst efficiency gains of 16% should be achievable in terms of controllable operating expenditure over this period. Network Rail had estimated that a gross revenue requirement of £26.1bn

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220 The illustrative split of funds is based on access charges in Control Period 3. The access charges for Control Period 4 will be fixed as part of the Periodic Review 08 which is currently in progress.

221 Qq 34–35; see also Q 205

222 Q 427

223 Office of Rail Regulation: Periodic review 2008: Draft determinations, June 2008
would be required to achieve the Government’s objectives for rail infrastructure in England and Wales between 2009 and 2014, but the ORR believes that this revenue requirement should be just £23.8bn. The Periodic Review process is ongoing, and Network Rail has protested vigorously against the efficiency gains proposed in the ORR’s Draft Determinations.

131. Improving efficiency and cost control at Network Rail will be crucial not only in financial terms, but also in order to achieve key objectives such as reducing the disruption to passengers caused by engineering works. A study commissioned by Network Rail to compare the performance of Network Rail in terms of renewal and maintenance operations to other rail operators in Europe and North America found that Network Rail’s performance is poor in relative terms. It estimated that when costs are “normalised” to take account of differences in circumstances, an efficiency gap remains between Network Rail and the average of other operators amounting to £846 million per year for renewals, and £263 million for maintenance operations. Key improvements suggested are to make planning and work programming more consistent and output focused; to make possessions more industrial engineering-driven; to achieve better economies of scale; to improve quality through an approach based on skilled labour, and better supply chain and contractor management. In our report on Freight Transport, published on 19 July 2008, we noted the importance of reducing track access charges for freight operators in order to shift freight from road to rail, and we saw that in order to do so, it was vital for Network Rail to reduce its costs. UK track access charges for freight operators are the second highest in Europe, and this position is clearly unsustainable.

132. In our 2006 report on Passenger Rail Franchising, we discussed both the poor record of franchise operators in terms of controlling costs, and also the excessive cost of the re-franchising process. The current stand-off between Network Rail and the ORR about the scope for efficiency savings is indicative of the presence of similar issues within the infrastructure side of the industry. We have little doubt that cost control has been weak across the industry, and we believe controlling costs needs to be the Government’s top priority in terms of funding for the railways. The current funding discussions between the ORR and Network Rail may go some way towards controlling costs at Network Rail, but as we have said in the past, the Government needs to do more to ensure that franchises also control their costs tightly. As we have shown on several occasions past, the sheer complexity of the industry has made it prone to unnecessary cost escalation and waste.

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224 The gross revenue requirement is defined as: the total income derived from network access charges, the network grant as well as other income, for example from property.
225 “Network Rail attacks rail regulator”, Financial Times, 5 June 2008
Fares policy

133. The Government’s funding projections for Control Period 4 are based on a 34% growth in passenger revenue, increasing total fares income from £6.7 billion in 2009–10 to £9 billion in 2013–14.\textsuperscript{231} The Minister told us that the calculations in the HLOS are based on fares regulation remaining as it is at present.\textsuperscript{232} This would mean that annual price increases on regulated fares (primarily commuter and Saver fares, which account for more than 80% of journeys) are limited to a maximum of one per cent above inflation.\textsuperscript{233} Fares that are currently unregulated will, however, remain so, and individual operators are therefore free to raise prices as they wish.\textsuperscript{234} In 2008, the average New Year’s rise in rail fares was 4.8% for regulated fares and 5.4% for unregulated fares, which corresponds to RPI + 0.6% on average for regulated fares, and RPI + 1.2% for unregulated fares.\textsuperscript{235} As a result, a Standard Open Return ticket from Bristol to London, with First Great Western, increased from £125 to £137—a 9.6% increase\textsuperscript{236} whilst an annual season ticket from Canterbury to London increased by more than 11%, from £3,132 to £3,480.\textsuperscript{237}

The balance between passengers and tax payers

134. The shift in the financial burden between passengers and tax payers attracted a great deal of comment and criticism from witnesses. Some, such as Peter Rayner, thought that fares increases would lead to increased expectations which could, if they were not met, lead to a fall in demand.\textsuperscript{238} Both he and Paul Martin of the Railway Forum expressed concerns that the projected increase in fares revenue would entail increasing fares as well as passenger numbers, and that the Government might be trying to solve the capacity problem by pricing people off the railways.\textsuperscript{239} The Campaign for Better Transport was concerned that fares increases, particularly for walk-on fares, would send the wrong signals.\textsuperscript{240}

135. Others were not concerned about the principle of the passenger share of the funding burden increasing, so much as with the extent and the pace of the planned shift. Greengauge 21 believed that a change in the balance “from roughly 50% passenger funding up to over 70%” over the five year HLOS period was too radical and too fast.\textsuperscript{241}

\textsuperscript{231} Department for Transport: Delivering a Sustainable Railway, CM 7176, July 2007, Table 12.1 p 128
\textsuperscript{232} Q 824
\textsuperscript{233} ATOC statement on January fares rises, 1 January 2008
\textsuperscript{234} Q 824
\textsuperscript{235} This average masks some variation, with Hull Trains and Heathrow Express keeping prices static whilst CrossCountry and East Midlands Trains have increased their prices by 7%.
\textsuperscript{236} “Anger as rail fares on some of busiest routes rise by up to 11%”, The Times, 1 January 2008
\textsuperscript{237} Passenger Focus Press Release 1 January 2008: Watchdog disappointed by new year rail fare rises
\textsuperscript{238} Ev 287
\textsuperscript{239} Q 40
\textsuperscript{240} Q 676
\textsuperscript{241} Q 39
136. London TravelWatch pointed out that the White Paper’s indication that the balance between funding from taxpayers and from passengers should return to the historical norm was as good as meaningless because “there has been 80 years of a balance between that and it does not define which part of those 80 years is the historical level, and one could read that in any number of ways.”242 Mr Ford, meanwhile, told us that since the “historical norm” was based on a much cheaper railway, a shift in percentage costs then and now were two quite different things:

paying 70% of a railway costing perhaps seven billion a year was one thing, paying 70% of a railway that needs ten billion a year is a lot more. So obviously although we are saying, “Fare payer, you are just paying a bit more percentage” it is the same percentage but of a much larger amount.243

The RMT also told us that an economic downturn was likely to reduce income from fares and thereby undermine the assumptions of the HLOS.244

137. Countering some of these criticisms, the Minister argued that there was no evidence of a negative link between fares increases and passenger growth, probably because of the preponderance of regulated fares where increases were comparatively low.245

138. We have expressed our grave concerns about the level as well as the complexity of fares in the past.246 We are deeply concerned that the rapid shift away from taxpayer contributions and towards passengers paying a significantly larger share of the cost of running the railways will be detrimental to passengers and the future of the railways alike. We accept that the level of subsidy now paid by taxpayers is probably too large for the longer term, but a rapid shift in this balance will counteract any efforts to encourage modal shift. Furthermore, if a full-scale economic downturn were to develop, passenger numbers are unlikely to grow as fast as projected in the High Level Output Statement. This situation could jeopardise the current hard-won level of financial stability. We therefore recommend that the Government review the planned shift between tax payers’ subsidy and the fare box with a view to pacing this transition over a significantly longer period of time.

242 Q 580
243 Q 62
244 Q 423
245 Q 877
6 Conclusion

139. The publication of the White Paper and the High Level Output Statement (HLOS) clearly marks a step forward for the railways in the UK. The HLOS provides a clear sense of what the Government expects up to 2014, and importantly, what it is prepared to pay for it. This is valuable.

140. For two decades, a 30-year strategy for the railways was more than most people in the industry dared to dream of. It has the potential to provide a tremendous sense of purpose and direction in the industry, and to galvanise the many disparate elements into action. However, this 30-year plan did not quite live up to its name. The White Paper is very light on vision and strategic thinking, and rather represents a missed opportunity. However, we hope there will be an update in a few years’ time, and that the Department will have learnt what is required.

141. The White Paper, setting out the Government’s objectives for the railways over the next 30 years, and the HLOS, providing a detailed five-year plan, were published as one integrated document. Our analysis of this document has demonstrated that the White Paper has very little to add to the five-year plan set out in the HLOS. If the two had been entirely separate documents, there would have been very little to publish as a White Paper, and the Department would have been forced to come up with a much stronger and bolder vision for the long-term future of the railways. The Government should now seek to develop a genuine 30-year strategy.
Conclusions and recommendations

A 30-year vision for the railways?

**The High Level Output Statement (HLOS)**

1. The High Level Output Statement will give the industry a degree of stability and direction which we welcome. We accept that the validity of some of the assumptions which underpin the HLOS, such as economic growth and the price of oil, will change over time, and that every change should not result in alterations to the HLOS. However, where seismic shifts that are likely to remain in the medium-term occur, and where they are likely to create extra passenger growth, we think the Government needs to consider making adjustments to the HLOS. We believe the massive increases in oil prices over the past year, and the fact that prices are expected to remain very high for the foreseeable future represent such a case. (Paragraph 10)

**The long-term strategy and vision**

2. We warmly welcome the Government’s effort to create a long-term vision and strategy for the railways. We are particularly pleased that the White Paper sets out a positive plan for growth. However, we agree with the vast majority of our witnesses from across the industry, that the level of ambition in the White Paper is too modest. The Government’s policy of responding to demand with “just-in-time investments” ignores the potential of rail investment to reduce regional disparities and improve the environment. After years of sustained growth in rail patronage, we urge the Government to be bolder in its vision and to set out a proper long-term strategy, including the planning and development of infrastructure which will improve the environment and the spatial economic development of the country. (Paragraph 17)

3. When the Government does develop a proper long-term strategy for the railways, it is essential that it is thoroughly integrated with other Government and regional policies, on transport, the environment and planning. Policy-making on rail needs to be integrated with other policy areas in such a way that it is able not only to react to, but also to adapt to, inform and influence them. We await a more integrated policy approach and expect to see clear evidence of it in the next High Level Output Statement (HLOS) and the Transport White Paper accompanying it. (Paragraph 22)

4. It is deeply disappointing that the White Paper dodged the decision on high-speed rail. Given the additional capacity and the limited additional cost in building high-speed as opposed to conventional rail lines, we recommend that the Government consider very seriously the possibility of building high-speed lines where new lines are to be constructed. Although there have been encouraging signs of movement in the Government’s position since the publication of the White Paper, we firmly believe that this is an area where the Government needs to move into a different gear. We welcome the preparatory study to develop and evaluate options recently announced by Network Rail. Once the study is complete, it will be incumbent on the Government to make decisions and initiate the work without delay. The time frames
for the planning, procurement and construction of high-speed rail links are measured in decades rather than years. Hesitation now will mean years of avoidable misery and overcrowding on the network. (Paragraph 28)

5. As we have already noted in our annual review of the work of the Department in 2007, the White Paper dismisses electrification too easily. Even small-scale, infill electrification projects are not given the credit that they deserve. The case for electrification is strong, and it is based on both environmental considerations and improvements in capacity. Recent indications are that the Government is now changing its mind, and that an electrification programme may be initiated later this year. We are pleased the Government appears finally to have seen sense on electrification, and we recommend that a strategy for the gradual electrification of the rail network be developed as a matter of priority. (Paragraph 33)

Network Rail – up to the challenge?

The engineering overruns at New Year 2008

6. The management of engineering projects and work sites, together with the associated risks, are core responsibilities of Network Rail. The management of the three engineering projects, which overran at New Year, indicates that there are serious deficiencies in terms of central control and internal oversight mechanisms within Network Rail. It also provides evidence of flawed management of teams and of contractors, including the dubious practice of self-certification. (Paragraph 41)

7. The range of similarities between the Portsmouth overrun in 2007 and the overruns at London Liverpool Street and Glasgow Shields Junction at New Year 2007–08 is significant. The lack of discernible improvement in the intervening twelve months, despite the imposition of a significant fine for the Portsmouth overrun, is a clear indication that either Network Rail’s management has failed to act effectively, or that their actions have not filtered down to the operational level. (Paragraph 42)

8. Network Rail needs to re-balance the distribution of risks between itself and its contractors as a matter of urgency. (Paragraph 44)

9. We remain to be convinced that Network Rail is any more cautious in handing out contracts to companies with a history of failure than other areas of the public sector. We conclude that the threat of future exclusion is an insufficient spur to effective discharge of contracts. (Paragraph 45)

10. The time has come for Network Rail to bring all strategic resources, such as overhead line engineering staff, back in-house. Network Rail should also ensure that it has a permanent programme to develop and maintain such strategic skills in order that a stable pool of core skills is maintained within the organisation at any one time. This should enable Network Rail to manage key resources with much reduced risks of crucial staff shortages which might cause overruns and endanger the viability of large scale projects such as the West Coast Route Modernisation. (Paragraph 47)
11. Communication within Network Rail as well as between it and the train operators is seriously deficient. This is, in part, a consequence of the separate ownership of trains and track. The failure of internal communications within Network Rail makes it impossible for senior managers to take appropriate action and resolve problems as quickly as possible. The failure to communicate adequately with train operators is likely to be, at least in part, a consequence of poor internal communication. Both failures have serious consequences for passengers. (Paragraph 49)

12. The engineering overruns over New Year were quite simply unacceptable. Much excellent work is done by a large workforce of good and dedicated staff at Network Rail, but the lack of clear procedures, consistency, communication and management controls combine to undermine all these undoubted achievements. The ORR's careful analysis of events exposes serious management failures. (Paragraph 52)

13. The Government along with the ORR must ensure that the risk of this kind of overrun occurring again—ever—is minimised. The Government, along with the ORR, must monitor closely the progress made by Network Rail over the next year, and examine what structural changes might be required to ensure that Network Rail is capable of managing its projects effectively and consistently. (Paragraph 54)

The White Paper challenge for Network Rail

14. It is quite extraordinary for Network Rail to reward its senior managers with huge financial bonuses in a year where passengers have been humiliated and inconvenienced by three separate major engineering fiascos, where an entire catalogue of management failings has been laid bare for all to see, and where a record fine has been imposed for breach of the Network Licence. It is a gesture which adds insult to injury for the long-suffering passengers who have had to struggle with the consequences of the company's failings. If Network Rail's members cannot, or will not challenge and block such a move, they are not a body worth having. (Paragraph 63)

15. We support the ORR’s proposals to alter Network Rail’s licence so as to change the incentives policy. Greater transparency about financial incentives, paid for by tax payers and passengers, is welcome. So is the proposal that incentives should take account of all aspects of Network Rail’s performance against its licence. This should prevent generous bonuses being handed out for good performance in some areas against a background of catastrophic failure in others. Such changes to the framework would not, however, be a substitute for scrutiny and tough questions by Network Rail members. (Paragraph 64)

16. We do not agree with the Minister and the ORR that the governance structure of Network Rail is adequate. The range and seriousness of management failings identified above will only be rectified through very strong leadership from the Board combined with robust oversight and challenge by members. This would require a structure that brought accountability for passengers and the public and created a smaller, independent group to whom the Board was answerable for operational matters. Passengers, Government and train operators all have a significant stake in the success of network Rail. The current system where members are effectively
approved by Network Rail’s Board, albeit indirectly, is inadequate. We recommend that the Government consider alternative options for a more effective governance and scrutiny of Network Rail. (Paragraph 66)

17. The completion of the current phase of the route modernisation on the West Coast Main Line in time for the introduction of the new timetable in December 2008 will provide a final test of the ability of Network Rail to plan and manage major infrastructure projects, as well as of the ability of the Office of Rail Regulation to regulate Network Rail adequately. If this project fails, we would expect the Government to intervene and take responsibility for the integrity of services as well as the introduction of the new timetable on the West Coast Main Line. (Paragraph 70)

18. We welcome the commitment of both Network Rail and the Government to the seven-day per week railway, where engineering works are done overnight, avoiding major engineering possessions at weekends and Bank Holidays. Network Rail will need to implement many changes to the network, such as rerouting and double tracking before the seven day per week railway can become anything more than a distant dream. It will also be crucial for Network Rail to make very significant improvements in the efficiency of its renewal and maintenance operations. (Paragraph 74)

19. No other organisation is more important than Network Rail to the achievement of the targets and objectives contained in the Rail White Paper and the High Level Output Statement. If Network Rail fails, the industry as a whole will fail. The Government and the ORR, in collaboration with Network Rail itself, must take action to ensure that it is equipped to meet the challenges ahead. (Paragraph 75)

Capacity – accommodating growth?

The Government’s plans

20. We are pleased that the Government has recognised the need to plan for growth on the railways, and we congratulate Ministers on the development of the first structured plan to develop our railways in many decades. We hope this will be the first of many such plans. (Paragraph 84)

Forecasting and planning for growth

21. In an industry where the development and procurement of infrastructure takes many years, or even decades, it is crucial that forecasting is as accurate and sophisticated as possible. We are concerned that the Government is failing to take the concerns of the industry seriously, and that the Department appears to be working in isolation when it comes to predicting future rail patronage. We recommend that the Department revise its method for predicting developments in rail patronage, in collaboration with other Government Departments as well as local and regional authorities. (Paragraph 95)
Network capacity

22. The Government’s approach to increasing capacity on the rail network through investment in infrastructure is over-cautious. While we welcome the small-scale measures such as platform lengthening and station re-modelling included in the High Level Output Statement, we are convinced that significant investment in new rail lines will be essential, and the Government must join Network Rail to plan for significant expansion of the network sooner rather than later. An investment plan to remove those among the 15 pinch points, identified in the 1998 White Paper, which have not already been remedied, should be produced urgently. (Paragraph 98)

23. We welcome the Government’s commitment not to close railway lines. However, we find the Minister’s argument against the possibility of re-opening disused lines less than convincing. The notion that the immediate availability of rolling stock should dictate whether a rail line is reopened puts the cart before the horse. If there is sound justification for reopening a line, either because extra capacity or a diversionary route is required, then rolling stock will simply have to be acquired for it. (Paragraph 99)

24. The time and cost involved in developing new railway lines from scratch is vast, compared to the cost of preserving and maintaining the large network of disused lines for possible future use. The Government must make a commitment that all disused lines with any potential for future rail use, be it as part of the strategic rail network or as diversionary routes, should be preserved. Where such lines are put to other uses, this must be reversible so that they can be re-commissioned, should the reopening of the railway become an option. (Paragraph 101)

25. The 1,300 new carriages pledged in the High Level Output Statement are much needed and very welcome. But it is clear that, due to the growth in rail patronage, the new stock is unlikely to relieve overcrowding significantly. (Paragraph 107)

26. We note how little new rolling stock is going to be available to areas outside London and the South East. We expect the Government to address this imbalance through the cascading of rolling stock throughout the system. It is essential that all rolling stock is well matched to the circumstances and requirements of individual lines and that old rolling stock is not replaced by newer, but less suitable cars. (Paragraph 108)

27. It is entirely appropriate that strategic decisions about rolling stock procurement and specification should be taken centrally. Given the level of fragmentation of the industry, there is no other way to ensure sensible use of tax-payers’ money for long-term investments such as rolling stock. However, we are concerned that the Department may not have adequate and appropriate expertise to handle such vital strategic decisions in-house, and to do so efficiently. Matters of such importance should not be left to expensive external consultants. (Paragraph 111)

28. We look forward to the Competition Commission’s report on the rolling stock market in the UK, due in 2009. In the meantime, the Department must improve its rolling stock procurement strategy so as to create a stable and consistent pattern of procurement. By doing so, it will achieve the best value for money for tax-payers, and it will ensure that Britain can continue to have a rolling stock industry. (Paragraph 113)
29. We welcome the Government’s commitment to re-modelling stations that are significant pinch points on the strategic rail network. We acknowledge the importance of improving the serious passenger overcrowding at Birmingham New Street Station, but we are not convinced that the current project is adequate. The Government must address the issue of whether Birmingham New Street is ever going to be able to accommodate the throughput of trains required in two or three decades, when the number of services might have doubled. If the station cannot be adapted to such throughputs, then the Government must look for alternative solutions now. (Paragraph 117)

30. We welcome the Minister’s assertion that the Government is looking at other major pinch points on the network such as Manchester, and that investments to remodel such stations might be forthcoming. We remind the Government that the elimination of such pinch points on the rail network in the north of England is vital to achieve the rail capacity improvements, which in turn will underpin efforts to drive up economic growth and prosperity in the region. We do not expect to wait till the next HLOS before action is taken. (Paragraph 118)

31. We welcome the HLOS commitment to modernise and upgrade 150 stations. We expect the Government to ensure that the process of selecting stations is fully transparent, and we encourage Network Rail’s drive to secure additional funding from other sources for the station refurbishment programme. (Paragraph 119)

Encouraging modal shift

32. The Government should encourage modal shift. Amongst arguments for embracing a policy to promote a modal shift away from roads and air and towards the railways, environmental impacts along with congestion management are the most compelling. We expect the next High Level Output Statement to include detailed plans and targets for significant increases in the share of journeys made using the railways. (Paragraph 124)

Financial sustainability

33. We have little doubt that cost control has been weak across the industry, and we believe controlling costs needs to be the Government’s top priority in terms of funding for the railways. The current funding discussions between the ORR and Network Rail may go some way towards controlling costs at Network Rail, but as we have said in the past, the Government needs to do more to ensure that franchises also control their costs tightly. As we have shown on several occasions past, the sheer complexity of the industry has made it prone to unnecessary cost escalation and waste. (Paragraph 132)

34. We are deeply concerned that the rapid shift away from taxpayer contributions and towards passengers paying a significantly larger share of the cost of running the railways will be detrimental to passengers and the future of the railways alike. We accept that the level of subsidy now paid by taxpayers is probably too large for the longer term, but a rapid shift in this balance will counteract any efforts to encourage modal shift. Furthermore, if a full-scale economic downturn were to develop,
passenger numbers are unlikely to grow as fast as projected in the High Level Output Statement. This situation could jeopardise the current hard-won level of financial stability. We therefore recommend that the Government review the planned shift between tax payers’ subsidy and the fare box with a view to pacing this transition over a significantly longer period of time. (Paragraph 138)

Conclusion

35. The White Paper, setting out the Government’s objectives for the railways over the next 30 years, and the HLOS, providing a detailed five-year plan, were published as one integrated document. Our analysis of this document has demonstrated that the White Paper has very little to add to the five-year plan set out in the HLOS. If the two had been entirely separate documents, there would have been very little to publish as a White Paper, and the Department would have been forced to come up with a much stronger and bolder vision for the long-term future of the railways. The Government should now seek to develop a genuine 30-year strategy. (Paragraph 141)
Formal Minutes

WEDNESDAY 16 JULY 2008

Members present:

Mrs Louise Ellman, in the Chair

Mr David Clelland
Clive Efford
Mr John Leech

Mr Eric Martlew
Mr Graham Stringer

Draft Report (Delivering a Sustainable Railway: A 30-Year Strategy for the Railways?), proposed by the Chairman, brought up and read.

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

Paragraphs 1 to 141 read and agreed to.

Resolved, That the Report be the Tenth Report of the Committee to the House.

Ordered, That the Chairman make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

Written evidence was ordered to be reported to the House for printing with the Report.

Written evidence [Network Rail engineering delays over the New Year period] was ordered to be reported to the House for printing with the Report.

[Adjourned till Wednesday 15 October at 2.30 pm.]
Witnesses (Delivering a sustainable railway: a 30-year strategy for the railways?)

Wednesday 9 January 2008

Mr Jim Steer, Director, Julie Mills, Director, Greengauge 21, Mr Roger Ford, Industry & Technology Editor, Modern Railways, Mr Paul Martin, Director General, The Railway Forum

Mr Cliff Perry, Vice Chairman, Railway Division, Institution of Mechanical Engineers, Mr Martin Brennan, Chair, CILT, Ms Mary Bonar, Member, CILT Strategic Rail Forum, Chartered Institute of Logistics and Transport (CILT), Dr Ian Harrison, Deputy Director, Environment, Economy and Culture, Devon County Council, Mr Colin McKenna, Head of Highways and Transport, West Sussex County Council, County Surveyors Society

Mr George Muir, Director General, Association of Train Operating Companies (ATOC), Mr Richard Brown CBE, Chief Executive Officer, Mr Louisa Bell, Head of Environment and Energy, Eurostar UK Ltd, Mr Tony Collins, Chief Executive, Mr Chris Gibb, Chief Operating Officer, Virgin Trains

Wednesday 23 January 2008

Mr Ian McAllister, Chairman, Mr Iain Coucher, Chief Executive, Mr Paul Plummer, Director Planning and Regulation Network Rail

Mr Chris Bolt, Chairman, Mr Bill Emery, Chief Executive Office of Rail Regulation (ORR)

Wednesday 20 February 2008

Mr Anson Jack, Deputy Chief Executive, and Mr Stephen McKay, Safety Policy Adviser, Rail Safety and Standards Board; and Mr Peter Rayner, Consultant and Expert on Railway Operations and Safety

Mr Gerry Doherty, General Secretary, Transport Salaried Staffs’ Association, Mr Bob Crow, General Secretary, and Mr Alex Gordon, Executive Committee Member, the National Union of Rail, Maritime and Transport Workers (RMT)

Mr Colin Walton, Chairman & Chief Country Representative, UK & Ireland, Bombardier Transportation Group and Mr Haydn Abbott, Managing Director, Angel Trains

Wednesday 5 March 2008

Mr Chris Bolt, Chairman, Mr Bill Emery, Chief Executive, and Mr Michael Lee, Director, Access, Planning and Performance, Office of Rail Regulation (ORR)

Mr Colin Foxall, Chairman, Passenger Focus, Mr Brian Cooke, Chairman, London TravelWatch, Mr Roger Turner, General Secretary, UNITE – The
National Federation of Royal Mail and BT Pensioners, Mrs Sue Sharp, Head of Public Policy and Campaigns at The Guide Dogs for the Blind Association

Mr Stephen Joseph, Executive Director, Campaign for Better Transport; Mr Paul Withrington, Director, and Mr Jim Russell, Transport-Watch; Mr Don Mathew, Policy Adviser, and Mr Martin Bright, Rail Liaison Officer, Sustrans

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Wednesday 16 March 2008

Mr Julian Johnson, Chair of the South West Regional Assembly’s Regional Transport Board, South West Regional Assembly and South West Regional Development Agency, Mr Chris Haynes, Head of Transportation Strategy, Birmingham City Council, West Midland Regional Rail Forum, Mr Geoff Hobbs, Head of Strategy, London Rail, Transport for London, and Professor David Begg, Chairman of the Transport Compact, Northern Way

Mr Tom Harris MP, Parliamentary Under-Secretary of State for Transport, and Mr Bob Linnard, Director, Rail Strategy and Stakeholder Relations, Department for Transport

Ev 83

Ev 92

Witnesses (Network Rail Engineering Delays over the New Year Period)

Ev 312

Wednesday 23 January 2008

Sir Ian McAllister, Chairman, Mr Iain Coucher, Chief Executive, Mr Simon Kirby, Director, Infrastructure Investment, Network Rail; Mr Thomas M McCarthy, Director of Bechtel Limited

Ev 92
List of written evidence (Delivering a sustainable railway: a 30-year strategy for the railways?)

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Oral evidence

Taken before the Transport Committee

on Wednesday 9 January 2008

Members present

Mrs Gwyneth Dunwoody, in the Chair

Mr David Clelland  Mr Eric Martlew
Clive E  Mr Lee Scott
V ord Mr Lee Scott
Mrs Louise Ellman  David Simpson
Mr Philip Hollobone  Graham Stringer

Witnesses: Mr Jim Steer, Director, Ms Julie Mills, Director Greengauge 21, Mr Roger Ford, Industry & Technology Editor, Modern Railways, and Mr Paul Martin, Director General, The Railway Forum, gave evidence.

Chairman: Good afternoon, welcome to you all. I am grateful to you for waiting for us. As you can imagine, this Committee is not responsible for the programme of what goes on in the House of Commons, or it might work! Can I ask you to indulge us for a moment, we have one little bit of housekeeping to perform? Members having an interest to declare: Mr E  ord.

Clive E  ord: Member of Unite.

Chairman: Mr Clelland.

Mr Clelland: Member of Unite.

Chairman: Mr Stringer.

Graham Stringer: Member of Unite.

Chairman: Gwyneth Dunwoody, always different, ASLEF. Mrs Ellman.

Mrs Ellman: Member of Unite.

Q1 Chairman: I am feeling somewhat hunted here! Can I ask you firstly if you would be kind enough to identify yourselves for the record, starting on my left and on your right?

Ms Mills: My name is Julie Mills; I am a Director of Greengauge 21 and co-author of the submission to the Committee. I am an independent consultant and previously worked for the Strategic Rail Authority.

Mr Steer: Jim Steer, Director of Greengauge 21 and also a Director of the Consultancy Steer Davies Gleeve.

Mr Martin: Paul Martin, Director General of the Railway Forum.

Mr Ford: Roger Ford, Industry and Technology Editor, Modern Railways and founding editor of Rail Business Intelligence.

Q2 Chairman: Thank you very much. Does anybody have anything that they want to say briefly before we begin? No. Then for all of you, does the White Paper provide the kind of long-term vision that the railways need?

Mr Martin: If I could launch off on that, Madam Chairman? In my view—and it may be slightly unfair—Brunel, Stevenson and Telford had vision, but the jury may still be out on the Department for Transport on that. The Railway Forum very much welcomed much that was in the HLOS when it came out last summer—

Q3 Chairman: We are going to try and avoid discussing the general health of the public and HLOS.

Mr Martin: The White Paper, we felt, was disappointing. It did not have vision; it has not, in our view, tackled the problems of capacity over the next 30 years. It specifically does not deal with further electrification or with a second high speed rail line in the UK. To be fair, the Minister, Tom Harris, has said that it does not set out to be a fully finalised vision but rather a framework and it is for the industry and others to fill the gaps there—there are many gaps in our view to be filled.

Q4 Chairman: Anything missing from that, Mr Ford?

Mr Ford: I think the main problem is that it (the Government) is determined not to spend any money on permanent infrastructure and infrastructure improvements. The message seems to be anything but infrastructure improvements and to squeeze more out of the railway we have.

Q5 Chairman: Is it an accountant’s view of the railway?

Mr Ford: I think that is being unkind to accountants! It is just a grey view of the railway with no vision and no ambition.

Q6 Chairman: Mr Steer, no strategy?

Mr Steer: What I would add to that is that it does not discuss what the role of the railway is, so it does not really look much beyond the railway’s problems and those that can be anticipated. Really I think for a railway strategy looking forward over 30 years one would expect rather more than that.

Q7 Chairman: Ms Mills, is there anything else that you want to add that—anything that is not in that list?
Ms Mills: I have nothing to add.

Q8 Mrs Ellman: I would like to ask you for your observations on the problems caused by Network Rail over the Christmas and the New Year period. Have you put that down to intrinsic failures of Network Rail or is it some operational problem?

Mr Martin: If I could go first? Clearly it is difficult to determine precisely what went wrong over the New Year at Rugby. We will all wait to see the ORR and the internal Network Rail report to fully understand what the shortcomings were. Clearly, as the Committee is fully aware, there is a considerable and a growing range of major projects to manage in the railways and that is going to increase in the forthcoming years with Crossrail, Thameslink and all the others. We have seen years of a growing lack of key, skilled workers in the industry and under investment in the industry. I suspect that one factor in Rugby is likely to be the shortage of key personnel and I would say clearly that there is an urgent need for the industry as a whole to rack up its capacity to deliver key projects, and it is very unfortunate that that failed so miserably over the New Year.

Q9 Chairman: Any other comment on that?

Mr Ford: If I might, Madam Chairman? It was essentially a beautifully planned long-term project but when it started actually happening on site it all went wrong, and we must not forget that there was Rugby, there was Liverpool Street going on in parallel and in Scotland there was Shields Junction at Glasgow, which still has not been resolved as we speak, and in most of the cases it just does not happen on site; it is down to poor project management. On the two schemes in Rugby and Liverpool Street, which involved electrification, there were not enough parts to put up the wires; they had to raid Network Rail’s own stock of spares.

Q10 Chairman: So it was not just that they did not have enough staff who knew what they were doing: they did not actually have anything with which to do it?

Mr Ford: Partly the problem was that the staff—a lot of the electrification staff in particular—were subcontractors who were pulled in for jobs, they are not the regular team. No, it was badly managed on site; things did not happen. I am sure you will hear later on that the train operators were told at ludicrously short notice that it was not going to happen. Liverpool Street was due to open at four o’clock in the morning on 2 January and it was around about midnight when one railway was told that it was not going to happen. At the moment we do not know when Shields is going to open. It is a complete shambles, and I think the fact that you have three schemes all going very badly wrong suggests that there is something wrong in the system rather than just one going wrong somewhere.

Q11 Chairman: They did do quite a lot of others as well, though, did they not? They did how many over Christmas—30?

Mr Ford: Something like that, but, for instance, my local one at Stevenage they cut back before they started, as it were.

Q12 Chairman: How did they manage to do that?

Mr Ford: It was all scheduled, the possession was there and they did not use all of it. Similarly, work at Rugby should have been done earlier in the year during a possession, but it did not happen. There are severe problems on project management, particularly on the ground where you are dependent upon people with a lot of experience and a lot of skill and a lot of those people have bled out of the industry.

Q13 Mrs Ellman: In the past this Committee recommended that Network Rail should bring more infrastructure work in-house. Would that have solved this problem?

Mr Ford: I think there was already a move after these three schemes for at least electrification staff to come in-house. Because there is no real electrification work going on at the moment you do not have regular teams and the view is, I believe, that if they can establish a cadre of electrification people working on, hopefully, infill schemes this year, by the time that mainline electrification restarts the capability should be there. Yes, I think you will start seeing project work coming in-house.

Q14 Mrs Ellman: Do you think that there is likely to be a repetition of this problem unless something major changes?

Mr Ford: Yes.

Q15 Mrs Ellman: What about the role of the Office for Rail Regulation? Does that office do enough to bring Network Rail to account?

Mr Ford: To draw a parallel, I think they are standing there up to their knees in oil-soaked guilemots wondering why the tanker hit the rocks, when they should have been up on the headland firing off rockets to warn it before it happened.

Q16 Mr Hollobone: Longsuffering passengers who fall victim to Network Rail engineering overruns are frustrated because there is no direct connection between them and Network Rail, and the interface is always the train operating companies in between. Do any of you have a view about whether the system of rail regulation ought to be altered so that the compensation arrangements for passengers, and especially season tickets holders, can be a lot quicker and a lot more transparent in cases of engineering failures like this?

Mr Steer: I would only observe that the compensation arrangements are really quite complex. It took a good deal of time to establish them, so if that were to be adopted I think that great care would have to be taken to ensure that, firstly, it did not undermine the arrangements that are already in place; secondly, that it worked effectively and efficiently. I think it would be quite difficult to achieve actually.
Q17 Chairman: Before we move on to other subjects, can I bring you back to this business over the holiday weekend? We are constantly being told that of course one reason the work is so much better under its new structure is that there is excellent project management under private industry, who know what they are doing and who are lean, mean and efficient. Are you saying, Mr Ford, that Bechtel, who normally have been telling us at great length how efficient they are, did not do a good job?

Mr Ford: They did not.

Q18 Chairman: Why not?

Mr Ford: I do not know. Presumably the quality of the people on site or something, but certainly there were instances at Rugby where they were in charge, where things that were said to have happened in the office on the paper, when you went out on site I am told had not happened.

Q19 Chairman: Do you have any indication as to whether that was because they were not given accurate information on the project before it began?

Mr Ford: They are responsible for the west coast route modernisation, which they lead; they were the people who were put in to get it under control.

Q20 Chairman: So is this going to happen again?

Mr Ford: It all depends how fierce Mr Couche is when he speaks to them.

Q21 Chairman: Do you think it is endemic in the system that this method will always produce the same sorts of stresses?

Mr Ford: It is okay for planning; it is good at paperwork and computers and so on, but when you actually get down on to the site you have to do things and you find that something is not quite as you expected or there is a delay, or whatever, there are certainly deficiencies in the ability of management to run it on site and the sub-contracting system means that a lot of the workforce employed are ad hoc, they are not working as teams. You only have to look at the way that the East Coast main line was electrified under British Rail under a senior project director and they just rolled along day in day out and delivered on time and on budget.

Q22 Chairman: So what you are really saying is that it is the division and structure that has made the difference. Because the same people are not working together, because they do not have the same commitment to get it done in time, is that what you are saying?

Mr Ford: Certainly British Rail employed contractors to do things like electrification but you have to be better informed than your contractors; you have to be able to know what they are doing, know when they are smiling and they are really, really worried about something going wrong, and I think what Network Rail has lost is the ability to be an informed customer.

Q23 Chairman: Why do you think that no passenger was given accurate information, say on Christmas Eve, of the debacle that they were going to face?

Mr Ford: I think you will have to ask Virgin that.

Q24 Chairman: I think I might do that but I am asking you; what information do you have?

Mr Ford: People were told desperately late; the train operators were told desperately late that it was not going to happen. As I understand it, Virgin certainly had concerns as far back as 12 weeks—

Q25 Chairman: I am sure that Virgin is very capable of telling of their problems; some of us hear from Virgin quite often. What is your view of it?

Mr Ford: First of all, the train operators were not told in good time; they were told very late, like midnight before, that it was not going to happen on the day that it was due to happen. Then it takes time for that to get through into the system.

Q26 Chairman: Why did the passengers not hear in a country which is overrun with means of communication, mostly used by the deaf? Why is it that nobody bothered to tell the passengers until they turned up?

Mr Ford: I think people did try to tell the passengers that there were buses laid on and so on, but it is short notice and I would agree with you that communication is not the railway’s strongest forte.

Chairman: Would it surprise you to know that I actually rang Network Rail and asked why they had not put a representative on to the news waves and was told that they were doing a press conference at lunchtime, which was then four hours after comment had already been made on a news programme? Perhaps I should not ask that.

Q27 Mr Clelland: The White Paper seems to accept the conclusion of the Eddington Report that high speed rail would represent poor value for money in the UK. To what extend do you think that that assessment is acceptable?

Mr Steer: We think that it is an invalid conclusion, and that is based on the work that supports the Rail White Paper. What the Rail White Paper I think, first of all, usefully does is it suggests that some of the alternatives to high speed rail are really not worth pursuing and I think in that respect it should be noted that the White Paper really did a useful narrowing down job. But it then, while acknowledging in the longer term that there is a capacity need for high speed rail, confuses itself by some pieces of analysis which suggest that really if we need new capacity it is very questionable, I think is their conclusion, as to whether it should be high speed or not. We have set out in our evidence where we think they got that analysis wrong. The evidence we have is that correctly applying assumptions high speed rail would have the same carbon impact—which is one of the key things they are worried about—as existing Inter-City rail. For very straightforward reasons—higher capacity trains, higher load factor and so forth. That seemed to be the telling reason which persuaded them that this
was too early to say anything positive about high speed rail—a simply rather poor analysis on that point.

**Q28 Mr Clelland:** Should there be a reassessment given the success of High Speed 1?

**Mr Steer:** Most certainly we feel that now is the time to really undertake the serious planning work that is needed on high speed rail. The Department is about to embark on a set of multi-modal corridor studies—sorry, it is a horrible phrase but there is nothing else to say for it—and we believe that there is a real risk that those will not be informed of clear plans for what high speed rail would actually provide. So we think that is really the challenge ahead this year.

**Q29 Mr Clelland:** Should there be a distinction made between conventional high speed train services and Maglev services, for instance?

**Mr Steer:** The White Paper certainly made that distinction based on some work from two learned professors. We would say yes, they should make that distinction.

**Q30 Chairman:** Does anybody else want to comment on that because Mr Steer will not mind me saying he is a little bit parti pris on this matter?

**Mr Martin:** If I could add, I entirely agree with what Mr Steer had to say. To be fair to Rod Eddington, he was portrayed in his initial report as not supporting high speed rail. He clarified when he appeared before you and this Committee that in fact he was opposed to Maglev and not to high speed per se. We think, as Mr Clelland has said, with the very successful launch of High Speed 1, a vision of what can be achieved, it would be a great shame to see the team that achieved that dissipated over the coming years and we would like to see them going forward with the new high speed line. I think clearly there is a strong business case for an initial line between London and the West Midlands. We believe that there is a strong social and economic case for continuing that subsequently through the northwest, up to Newcastle and to Edinburgh and in Glasgow, but clearly that will be done in phases, as the motorway network developed across the UK.

**Q31 Graham Stringer:** Can I follow up with one question on high speed trains. I have read the Greengauge submission and you made a point which you have repeated now, that the government underestimates occupancy and therefore its figures cannot be relied on. But in your paper you do not go into what the increase in carbon dioxide is as you move the speeds up from 125 mph to 200 mph and beyond. There is a big dis-benefit there, is there not, of the extra carbon dioxide?

**Mr Steer:** There is but it is important that we do not confuse ourselves over this. What you have to really look at is two cases: one with a high speed rail system in place and one without, and this is the standard way of looking at all of these issues. With high speed rail in place it is true that the higher speed of the rail operation will consume more energy—probably not as much as people think because, after all, if you are purpose-designing the infrastructure the train is not going to be starting and slowing down and calling at stations, all those things that conventional trains do that perhaps travel at 200 km an hour rather than 300. But it is true that there is higher energy at fast speed. But of course the impact of that fast service will be felt not just on rail but on other modes as well and on reduced demand for short haul aviation. It is that which lends high speed rail the diversion from air and from car its carbon credentials; and you cannot have that benefit without offering a high speed service that will attract people away from those modes that they are using in their droves today.

**Q32 Graham Stringer:** What distance from London do you think high speed rail will really begin to take passengers away from airlines?

**Mr Steer:** If you look at Heathrow I guess Manchester is about the closest of at least the significant airports—

**Q33 Graham Stringer:** Passengers are already travelling by Virgin, are they not; that has happened?

**Mr Steer:** Yes and Virgin has done a great job of increasing its market share, but just as Richard Brown would tell you if you asked him about Eurostar, London/Paris, a very substantial and not that dissimilar market share, that there are still a lot of people—it might be down to 30% or 40%—travelling by air; and those passengers can also be attracted away from air; and we believe, and the evidence is, that that would be the case especially if high speed rail includes access to Heathrow.

**Q34 Graham Stringer:** A much more general question, in round terms there is now between two and three times as much public money going into the railways as there was at the time of privatisation and afterwards, until 1990–2001. There are a lot more passengers paying higher fares. What has gone wrong? Where is all that money going? You would expect with a lot more passengers higher paying fares that the public subsidy would go down. Why is the public subsidy still higher?

**Mr Ford:** If I might; this is my specialist subject? Basically costs have gone out of control. In rough figures in 1988–89, 20 years ago, the railways’ income in modern money was about five billion and it shifted something like three-quarters of a million passengers; the railways’ income now is about ten billion and we have, at the moment, with the amount of projects going on, a lot of money going into the railways but it is not buying the sort of things we were buying then. Basically the costs have got out of control exacerbated by the panic after Hatfield. I calculate that project costs have gone up by about three times—boiling frogs syndrome—and costs have just gone out of control; and, as we can see, costs have partly gone out of control because we have lost the discipline of people who knew what they were doing working as a team.
Q35 Graham Stringer: All the reports from the Public Accounts Committee and this Committee and the government assessing it themselves recognise that costs got out of control during the transfer between Railtrack and Network Rail, but in your opinion why has it taken so long to get those costs back under control when the punctuality and reliability figures are not back to where they were pre-Hatfield either?

Mr Ford: It is a bit like tying a bungee rope around your waist, tying the other end to the tree and walking out on an icy lake. British Rail was quite good at tiptoeing out, but the moment you lose concentration, i.e. privatisation, the rope snaps you out. It is a bit like a new railway in five or six years, but why can you not get the costs back and the money we paid for it.

Mr Steer: I am not suggesting that anybody should be excused; I am just suggesting that there are other parameters. The other one that is sometimes overlooked post-Hatfield may well have been an overreaction and certainly there was a loss of control, but the decision was then taken, rightly or wrongly, to increase the level of expenditure on maintenance and renewal work, and that was a positive decision. To some degree that was a catch-up of backlog and expenditure particularly through the 1990s both during the privatisation process and during Railtrack’s tenure, expenditure that was not being made. I think we should understand that there would be some increase, but I am not suggesting for one moment that the level of increase is to be acceptable.

Q36 Graham Stringer: It is a very general answer and I am genuinely trying to understand it. You can build a new railway in five or six years, but why can you not get a railway system that was ruling in the 1980s but certainly we should not be spending the sort of money that we are spending now for what we are getting. The Department has said that it wants to get costs back to the historic norm and it defines the historic norm as the five years between privatisation and Hatfield. Even that is still quite a lot of money compared with what older people like me can remember for the railway we got and the money we paid for it.

Mr Ford: I would say simplistically that having destroyed a fully functioning state railway, which was the most efficient railway in Europe, and also gave extremely good value for money, the bits will not go back together again. I would also say that I have struggled to answer this question for about the last five to ten years and I am none the wiser.

Q37 Graham Stringer: Do you think anybody knows the answer?

Mr Ford: No.

Mr Steer: May I add something, given that I equally do not know the answer? I would just point out a couple of things to add to what Roger has said. Besides the additional passenger numbers there has been a big increase in freight and there has been a significant continuing improvement in safety, and it would be wrong to assume—Roger mentioned safety requirements for working and that sort of thing. We certainly could not get back to the costs that were ruling in the 1980s but certainly we should not be spending the sort of money that we are spending now for what we are getting. The Department has said that it wants to get costs back to the historic norm and it defines the historic norm as the five years between privatisation and Hatfield. Even that is still quite a lot of money compared with what older people like me can remember for the railway we got and the money we paid for it.

Q38 Chairman: To be realistic, are you actually telling us that because they are better at the job and because they are safer they nevertheless are spending much more money and should be excused on that basis?

Mr Steer: I am not suggesting that anybody should be excused; I am just suggesting that there are other parameters. The other one that is sometimes overlooked post-Hatfield may well have been an overreaction and certainly there was a loss of control, but the decision was then taken, rightly or wrongly, to increase the level of expenditure on maintenance and renewal work, and that was a positive decision. To some degree that was a catch-up of backlog and expenditure particularly through the 1990s both during the privatisation process and during Railtrack’s tenure, expenditure that was not being made. I think we should understand that there would be some increase, but I am not suggesting for one moment that the level of increase is to be acceptable.

Q39 Graham Stringer: Do you think the direction in which the government is going in balancing what the passenger pays and what the taxpayer pays is right? Essentially they look as though they are trying to get the passenger to pay most of the train operating company’s costs; is that the right way to fund the railway?

Mr Steer: My own view is that there is a risk that this is quite a financial shock that is being imposed upon the railway. In effect what is being said is that the level of financial support stays much the same, and it is argued that if it goes down it is pretty much the same over the five-year period on which the Rail White Paper concentrated, and all the additional income comes largely from additional passengers but also from the 1% real increase in regulated fares. So the balance goes from roughly 50% passenger funding up to over 70%. If you look at the historic records that is quite a sharp transition and I do not personally see the logic for it. I think you can see the logic for gradually increasing it but a shock like that is perhaps going too far.

Q40 Mr Martlew: What you are really saying is that the amount of government subsidy should increase considerably?

Mr Steer: Yes. Obviously one wants to see the money efficiently spent but I should have thought we are in a world where we should be expecting the railway to be doing more and to some extent—not a major extent—I would have thought there should be additional taxpayer as well as user revenue going in to pay for it.

Mr Martin: If I could add to that, Madam Chairman? I think there is a concern that there are elements at least within government and the DfT who think that one way to meet the problem of providing further capacity is to manage demand by increasing costs to passengers. I do not see that as being the way ahead. Clearly there has to be a re-balancing between the percentage paid by passengers and the percentage paid by taxpayers to the government, but the very dramatic turnaround that the government is looking for over the next 10 years—
Chairman: No, I do not want to repeat that.

Q41 Graham Stringer: Four years ago—and we have them here regularly—nobody in the industry, no government Minister was predicting the increase in passengers that we have at the present time, so there was not this expectation. Do you think that the change in the balance of the fare structure, these large increases about which we are talking, will undermine the government’s now very optimistic projections on passengers?

Mr Martin: I do not honestly think that the government has a very optimistic projection. I think the figures from the DfT are very conservative. If one looks at the figures before by ATOC I think they are more realistic. All of that, of course, is subject to what happens to the economy over the next ten or 15 years. My members say that one of the first indications of a turnaround in the economy, a downturn in the economy is when the revenue from passengers over the previous week starts declining, and we have seen that in previous recessions. So with that caveat I think that the DfT is being conservative and in fact the demand is likely to be much greater than they are currently anticipating.

Q42 Graham Stringer: So these projections, which include large increases for the fares that passengers are paying, you think are realistic—the two can live together?

Mr Martin: I think there is a balance to be struck; I am not sure that they will work properly.

Q43 Chairman: Is that a yes or a no, Mr Martin?

Mr Martin: It is a no, Madam Chairman.

Q44 Mr Scott: It is said that 150 stations can be upgraded for £150 million. Do you think that is realistic or a pie in the sky figure that is just going to rise and rise and rise?

Mr Ford: It depends what you mean by upgraded. Stations require different amounts of upgrade; some are a few hundred thousand, some are several million. I do not think you can say £150 million, 150 stations. For instance, Hatfield needs work doing on it; it needs a disabled access to the island platform, and that would add something to the modernisation of Hatfield which would be quite expensive. Other stations—a coat of paint, new toilets, better lighting, better passenger information, not a lot of money. I do not think we can generalise on that.

Q45 Mr Scott: None the less it is £150 million that has been allocated for 150 stations, however that is divided up; do you think that is adequate funds?

Mr Ford: I am comfortable with it, yes.

Q46 Mr Scott: What do you think should be the process for selecting stations that are going to be upgraded?

Mr Ford: There are various techniques available where you go around with a clipboard and a tick box and you say: does it have passenger information? not very good; are the toilets hygienic?—no, they are not; does it have disabled access? There are various processes that you go through. You come up with a ranking scheme and then you start prioritising down from there, and obviously you will presumably have some version of priority where you tend to spend a lot of your money on a few of the stations that really need it.

Q47 Clive Efford: Mr Ford, you are critical of the government’s position over electrification, particularly the funding. What period do you think is realistic to expect the railway to pay back capital investment in things like electrification?

Mr Ford: Capital investment is always paid back over 30 to 35 years and one of the most appalling pieces of anything about electrification in the White Paper was the suggestion that because we might have fuel cell power trains using hydrogen developed from bionic duckweed in 15 years’ time and we might have to take the wires down and it would all be wasted, electrification should pay back in ten to 15 years. I thought that was one of the best examples of technical illiteracy in the government I have come across.

Q48 Clive Efford: Is there any potential in the rolling stock programme, in the investment in rolling stock not being used to bring down the cost of electrification?

Mr Ford: You get the situation where the Department paints it as though there are these mad people like me saying, “We want a totally electrified network,” and you do not. What the call is for is for a rolling programme and a rolling programme gradually extends the electrification across but as you extend electrification you get benefits in. So if you are going to extend it progressively you do not buy diesel trains which are going to be redundant in ten years’ time, you plot the programme so that new trains come in, electrification comes in and the result is yes, overall you do get a much better value for money.

Q49 Clive Efford: Does the current framework of the industry allow for that sort of planning and investment?

Mr Ford: No.

Q50 Clive Efford: Whilst we are on rolling stock, do you think that those that have been negotiating on behalf of public have actually done a good job in terms of the quality of the rolling stock that we purchase for our railway?

Mr Ford: The rolling stock has largely been specified by the train operating companies and bought by the ROSCOs and one of the interesting things is that the cost of rolling stock has not gone out of the window like the cost of infrastructure has—trains are still pretty much costing in modern money what they have all along. Yes, it is pretty good value for money but my one real criticism is that everybody took their eye off weight and as a result we have some of the
heaviest trains ever built coming in; the new Japanese trains for the Kent coast are the heaviest electric trains in Britain and the Japanese are supposed to build lightweight trains. So, yes, there have been errors but by and large we have a newish fleet and quite good quality.

Q55 Clive Efford: Just going back to electrification, is the redeployment of electric powered rolling stock a problem?

Mr Ford: Not really, no.

Q52 Clive Efford: Is the extent to which the European market for electric powered rolling stock more competitive for self-propulsion, particularly for high speed trains?

Mr Ford: There is a lot more demand for electric trains in Europe; we are the only country mad enough to run high speed services with diesel trains, and even madder to consider running future high speed services with diesel trains. So that means that we are going to have to buy trains which are one-off, species for the UK; nobody else is building diesels for that sort of performance so, yes, we are going to have to pay a lot more for them than we would if we bought electric trains pretty well off the shelf.

Q53 Clive Efford: Should we wait for cab based signalling before we go full on for electrification?

Mr Ford: Certainly not. The plans are that on the Great Western mainline, where the HST, the high speed trains entered service in 1976, these trains are still running on, becoming even more reliable and they are going to be fitted with cab signalling so that they can run through to 2020 pending the arrival of replacement trains.

Q54 Clive Efford: Do you think that electrification would increase capacity on the railway?

Mr Ford: Absolutely. For a start you do not have diesel locos or whatever at the end so every coach can carry lots of people, you get more power, more acceleration more reliability. Yes, it certainly would.

Q55 Clive Efford: Can I ask you what precisely is an infill project, and why are they so cheap?

Mr Ford: Let me give you an example. An infill project is where you have a short length of track which is not electrified adjoining two sections of electrified track. A good example is between Gospel Oak and Barking where the line is being upgraded to allow larger freight trains. This short section is not electrified. If it was electrified you could run electric freight trains from the new Shell Haven terminal and run them up the east coast or the west coast mainline. So infill projects—and ATOC has a list of about 25 prioritised—are small projects, small schemes where you electrify and you get a huge benefit. Crewe-Kidsforge, which I am sure Madam Chairman is aware, was electrified as a diversionary route and it makes a huge difference because you can run electric trains through when there is work going on. So they are small projects which do not cost a lot of money but bring a big benefit by enhancing the network.

Q56 Mr Martlew: Talking about the high speed line, or whatever. Mr Steer I have read the report from Greengauge and it is very interesting. I think we perhaps do the Department and Sir Rod Eddington a disservice, that they have come a long way from the press reports about the Eddington report. There is an actual acknowledgement that there is a place for high speed trains, there is not any go ahead for it. If we have, as it appears, major problems with capacity on the west coast mainline—and when we get cab signalling that will help for a while—the reality is that we will need another line. To me it would seem ridiculous if we are going to build another line on the west side that it is not a high speed line. Would you comment on that? And where do you think it would go—as far as Manchester?

Mr Steer: My comment on that is that the thing we are here to talk about, which is this White Paper, said that the schemes identified would provide sufficient capacity until 2030.

Q57 Chairman: We are not into visual bits, Mr Steer; would you like to announce the title of the document?

Mr Steer: Yes, indeed, “Delivering a Sustainable Railway—the Rail White Paper”, July last year. Then in October last year a subsequent Department publication towards a sustainable transport system said that the west coast mainline would run out of capacity by 2024, which might still sound a long way away but in terms of project planning timescales that says, “Hang on, that is already shorter than the timescale if we are to start planning now than it took to implement High Speed 1.” So we are really at a very critical point. I do acknowledge the point you are making that one can be too churlish about the Department’s position; I just observe that it seems to be shifting and it seems to be coming forward in terms of recognition. As to where a high speed line should go and what it should do, clearly in the west coast it needs to serve the main markets. My observation at the beginning about looking beyond, as it were, the railway boundary suggests to us that it is very important we think about Heathrow as well as London; that we think about connecting to High Speed 1; that we think about serving the major cities—Birmingham, Manchester, Liverpool and so on. That does not mean to say that we have to build new sections of route over the entire distance. The lesson from many systems elsewhere and the early days of running over half of the Channel Tunnel Rail Link is that we can operate high speed rail over the existing network if it is suitably planned.

Q58 Mr Martlew: The final point is the issue of the cost. There has been put out a figure of £30 billion at some time by the Department, and that is a figure that means that nothing will ever be done. What is your estimation of the costs to go from, say, St. Pancras to Birmingham to Manchester?

Ms Mills: Could I take this one, please? The £30 billion I believe derives from a study carried out for the Strategic Rail Authority in 2002 that I led for Atkins Consultants, and that was the cost for a high
speed network with two lines, including the Trans-Pennine Link, so much larger than covering one corridor such as London-Birmingham-Manchester. Greengauge 21’s own proposal for High Speed 2, which would link Heathrow London with Birmingham and onwards to the north, we are costing at about £11 billion and that includes a 66% optimism bias adjustment. So I think the costs are a lot more reasonable than the £30 billion.

**Q59 Mr Clelland:** On the high speed rail point would the environmental impact of high speed rail be significantly different were it based on Maglev rather than more conventional systems?

**Mr Ford:** Can I catch this one, Madam Chairman? Maglev is a technology developed in Germany largely because the Germans could not match the TGV in exports. It is a technology looking for an application; it lacks the versatility of railways. If you are running at 500 kilometres an hour you are using a hell of a lot more energy than a train. When it gets to the end of its track it stops, the high speed train can go on conventional lines. I am not sure whether it can do regenerative breaking. Maglev is one of these things that keep coming around—technologies looking for applications. People think it is sexy and railways are old fashioned, but the old fashioned Stephenson applications were the transport system of the 21st century; it is flexible, it is fast, you can have metros, you can have high speed trains, on top of which the energy issue while important I think is overrated. You do not buy a railway to cut your carbon, you buy a railway because it gives it what you want; it gives you transport, reliability and efficiency and the environmental benefits come from buying a good railway.

**Q60 Chairman:** I want to ask you about funding before you go. You have talked a little bit about it but is it realistic to say that the money from the travellers alone can balance the books for the franchise operators, because that seems to be the way we are going?

**Mr Ford:** The problem there is that the franchise operators do not pay their full costs to Network Rail; Network Rail gets something like 2.5 billion in direct grants. At the beginning of privatisation all Railtrack’s money, came through the franchise operators, then in 2001 the government decided they would like to put some grants in to reduce the cost to the franchise operators. So the fare payers’ money is laundered, as it were, through the TOCs to Network Rail, but Network Rail still gets 2.5 billion in direct grants. If you actually put all the money through the TOCs none of them would be profitable—I think one might be profitable—and so really the contrast between taxpayer and fare payer is artificial. The funding comes out of one pocket, it is just where it goes.

**Q61 Chairman:** I think what concerns us is the White Paper’s approach; is it actually encouraging a modal shift to the railways or not?

**Mr Ford:** No.

**Q62 Chairman:** Is the cost of fares going to accelerate because of that decision by the government?

**Mr Ford:** The return to the historic norm is all well and good but of course the historic norm is based on a much cheaper railway, so while paying 70% of the railways’ costs is one thing—paying 70% of a railway costing perhaps seven billion a year was one thing, paying 70% of a railway that needs ten billion a year is a lot more. So obviously although we are saying, “Fare payer, you are just paying a bit more percentage” it is the same percentage but of a much larger amount.

**Q63 Chairman:** Is this system being planned on the assumption that all railways run to London so that there is the emphasis all the time on running railways up and down the country, not across, not creating a network?

**Mr Steer:** I think, Madam Chairman, the answer is probably not, but the income that can be achieved by running services to and from London is very much higher than from elsewhere in the country and I am sure that has been an influential factor.

**Q64 Chairman:** Could you tell us why places like Reading and Birmingham have congestion problems presumably more acute than Manchester and Leeds?

**Mr Steer:** I am not sure that they necessarily are more acute.

**Q65 Chairman:** So how were they selected?

**Mr Steer:** I am afraid you would have to ask the Department that, Madam Chairman. I think there are significant congestion problems, certainly in Manchester because of the historic nature of the rail network; Leeds has been subject to it—a significant capacity expansion. So the problem of the network is less critical there but there is serious overcrowding on its commuter rail services.

**Q66 Chairman:** So if we expanded commuter traffic elsewhere in the country would that actually positively change the balance, both in modal shift and in environmental support?

**Mr Steer:** I think it would and I think it is going to be necessary because if the northern economy is to continue its path of rejuvenation there is going to be a lot more commuting, and if that is going to be accommodated on an overcrowded motorway network it is not going to be very satisfactory.

**Q67 Chairman:** The government is going to spend a lot of money on new rolling stock in the coming year. How can we protect the supply industry from this cycle of feast and famine—either too much or too little?

**Mr Ford:** I think we have both lived through lots of cycles of feast and famine. I am not convinced that the government is going to spend a lot of money on rolling stock. There are the alleged 1300 vehicles and there is an alleged plan of the rolling stock planned to be published this month, indeed. But just before
The supply industry is going to continue to suffer. So if you judge them by their actions I think the 185, the new diesel trains on TransPennine Express’s request to add extra coaches to the train, confirmed, that they have rejected TransPennine Express's request to add extra coaches to the train, the 185, the new diesel trains on TransPennine Express. So if you judge them by their actions I think the supply industry is going to continue to suffer.

Q68 Mr Martlew: Mr Ford, are you not being a bit disingenuous? My understanding is—and we have the Minister in I am going to be pushing him to put the extra coaches on the Pendolino. But was it not the fact that they actually refused to extend the franchise of Virgin by two years, and that was the issue?

Mr Ford: Yes.

Q69 Mr Martlew: It would not extend the franchise, is that not correct?

Mr Ford: We are coming to the situation where if you are a train operator and Angel and—

Q70 Mr Martlew: Is that not correct?

Mr Ford: It is indeed the case, but that is down to risk again. If you are running a franchise and you are committed to paying money to the government and you are going to start taking your trains out of service, pulling them apart, putting new bits in there is a risk there.

Q71 Mr Martlew: So you think it was a reasonable request for Virgin to ask for an extra two years?

Mr Ford: I think it was an eminently reasonable request particularly because there is a risk in taking very complex trains apart and putting them together.

Q72 Chairman: Mr Ford, with the greatest respect if for any reason they lost the franchise is there not a very clear indication that whoever came in would require the same rolling stock?

Mr Ford: Yes, indeed they would require the same rolling stock.

Q73 Chairman: So the risk is not exactly over great, is it, because most people running a business do not expect to have a guarantee that if they go out of business somebody comes in after them and will underwrite all their broken down pieces of equipment.

Mr Ford: It was a revenue risk. Trains have to be modified; you take the trains out of service, put two new coaches in, join them up, test them and everything and that could lead to trains being less reliable, that could lead to less revenue, more penalty, compensation paid by Virgin in the last years of their franchise. It is a monetary matter not a long-term risk. They could lose money in the last year of their franchise and they want compensation.

Q74 Chairman: Finally, I think what concerns us is that there is a distinct worry that we are returning to the situation where the train operating companies and Network Rail between them seem to regard the passenger as an embarrassment, to be considered at the last moment. Would you say that was the case?

Mr Martin: I would not, Chairman. Clearly there has been a considerable growth in the passenger and the freight use of railways over the past ten years, which we very much welcome. I think it is the responsibility of government and of Parliament as a whole to work with the industry to provide the capacity to meet that demand. We do not think within the Railway Forum that that demand should be constrained by unreasonable fare increases in the next ten or 15 years.

Q75 Chairman: So the money should come from the taxpayer?

Mr Martin: It has to be a balance but some of it will come from the taxpayer, absolutely. I think we have to recognise that the growth in passenger transport is much more substantial outside of London than in it and that must be reflected in the way that resources are allocated to the regions and not just to London.

Q76 Chairman: Therefore the new rolling stock should be disproportionately looked at in relation to the regions rather than the southeast?

Mr Martin: We have had growth of some 60% in Birmingham, Manchester and Leeds compared with 32% in London. If we are talking about 1,300 new carriages—and various figures were wafted around—there must be a fairer share across the country, absolutely.

Q77 Clive Efford: Mr Streeter, would you add to that there should be efficiencies within the industry as well—it must look to itself in the future?

Mr Steer: Absolutely.

Q78 Clive Efford: We have seen a huge cash bonanza for a lot of private sector interest in the rail industry over the last ten or 15 years.

Mr Martin: I entirely agree. When Ian Coucher took over as Chief Executive of Network Rail he was absolutely upfront in saying that in its early years Network Rail had done much to reduce costs but it had lost its way to a certain extent. It was his determination—and he is a pretty strong character—to put that back on to tracks and I trust that will happen.

Chairman: Gentlemen and Madam, thank you very much indeed.
Witnesses: Mr Cliff Perry, Vice Chairman Railway Division, Institution of Mechanical Engineers, Mr Martin Brennan, Chair, Strategic Rail Forum, Ms Mary Bonar, Member, Strategic Rail Forum, Chartered Institute of Logistics and Transport, Dr Ian Harrison, Deputy Director, Environment, Economy and Culture, Devon County Council and Mr Colin McKenna, Head of Highways and Transport, West Sussex County Council, County Surveyors Society, gave evidence.

Q79 Chairman: Good afternoon. Would you like to identify yourselves for the record, starting on my left?  
Mr McKenna: Colin McKenna from County Surveyors Society, and I also work for West Sussex County Council.  
Dr Harrison: I am Ian Harrison from County Surveyors Society and I work for Devon County Council.  
Mr Brennan: Martin Brennan; I am the Chairman of the Rail Policy Forum of the Chartered Institute of Logistics and Transport.  
Ms Bonar: Mary Bonar; I am past Chairman of the same Institute and I am also a rail lawyer and interested in promoting open access operations.  
Mr Perry: I am Cliff Perry; I am the Vice Chairman in the Railway Division of the Institution of Mechanical Engineers, and also Chairman of the Railway Engineers Forum.

Q80 Chairman: Did any of you have anything you wanted to say briefly before we begin? No. Then who is going to tell me whether the White Paper provides a long-term vision that the railways need?  
Mr McKenna: Chairman, I think it is deficient as far as the County Surveyors Society is concerned in that it does not concentrate sufficiently on local access issues and the integration of planning locally, our developments, our economies with the contribution that the railway can make. I think it needs to say a lot more about that in order to perform its function of a fully integrated transport system.

Q81 Chairman: Are you saying that we ought to think big because we have a big growth in passenger numbers and we have lots of environmental challenges; is that what is wrong?  
Mr McKenna: Yes, I think you need to think big in terms of carbon footprint. I think it is the local access to the station. You will not get these passenger numbers occurring unless people can get easily to the station, or if they do occur they will cause lots of problems around stations.

Q82 Chairman: Has the White Paper set out a strategy which would shape developments rather than simply reacting to them?  
Dr Harrison: No, Chairman, I do not think it has. In the White Paper the Department has been reactive to growth rather than responding to the challenges that are coming through growth agenda; rather than picking up what the planning system is doing. The planning system is delivering more people who are potential customers to the rail industry. In our view the predictions which underpin the White Paper significantly underestimate the capacity that the rail industry will need to provide.

Q83 Chairman: Did it go far enough in relation to things like other government policies, like energy policy and spatial policy?  
Mr Brennan: We felt that there was certainly room for it to have done better in terms of the long-term vision, as other speakers have noted, and we were particularly disappointed at the tendency in the White Paper to say that because of uncertainty plans could not be begun now—electrification in particular has been mentioned in that regard.

Q84 Chairman: Mr Brennan?  
Mr Brennan: Madam Chairman, the Chartered Institute for Logistics and Transport was somewhat more welcoming of the White Paper than some of the other witnesses, perhaps, in that at least for the first time it is a White Paper that recognises that the rail industry is now a growth industry and that passenger and freight user-ship has significantly increased over the last ten years, and it says that it is planning to enable that usage to double. We feel that the White Paper and the embedded HLOS was good in terms of the prescription of activities that need to take place over the next five years.

Q85 Chairman: Did it go far enough in relation to things like other government policies, like energy policy and spatial policy?  
Mr Perry: We felt that there was certainly room for it to have done better in terms of the long-term vision, as other speakers have noted, and we were particularly disappointed at the tendency in the White Paper to say that because of uncertainty plans could not be begun now—electrification in particular has been mentioned in that regard.

Q86 Chairman: So are you really saying that, say, the RPAs and the franchises ought to have been told earlier on that these were the changes that were needed and the expansion that was needed?  
Mr Brennan: I think there needs to be quite a lot of link-up between all of the various government policies so that it really truly is joined up and strategic in its vision across the whole of government and that the rail policy is seen in its wider context.

Q87 Mr Hollobone: Nowhere is that more relevant than in Kettering, which I have the privilege of representing, where the Department for Communities and Local Government has set a housing expansion target which will increase the local population by a third, whilst at the same time the route utilisation strategy on what used to be called the Midland Mainline means that the number of trains stopping at Kettering is going to be cut by a third. My question to the Panel, Chairman, is: is it true that the government’s method of demand forecasting is failing to take into account areas of rapid housing growth dictated by other departments?
Mr Brennan: Madam Chairman, if I may answer? The demand forecasting methodology used by the Department is quite good at dealing with growth on the margin, following GDP, but I agree fails adequately to take into account some of the other demographic issues, and that is a prime example of where there needs to be joined-up thinking between different policies of different departments, to make sure that regional policy and land use planning and housing scheme developments are fully factored into demand forecasting, which has tended to rather underestimate the level of growth over recent years, and I see no reason, unless something changes, why it would not continue to do so.

Q88 Mrs Ellman: Network Rail created chaos over the Christmas and New Year period. Last year it was fined because of problems on the Portsmouth re-signalling system. What do you think is the reason for what happened? Is it an endemic problem within Network Rail? Would anybody like to offer an opinion?

Dr Harrison: Chairman, if I may start? It is difficult for us perhaps to understand the precise processes that are involved within Network Rail and between them and their contractors, but as local authorities we are obviously very aware of the impact of making changes on networks, in particular in our case on highway networks. I think it comes down to project planning and project management and clearly there seems to have been problems in this particular regard and not uniquely over this Christmas. I think that is also symptomatic of a more general lack of concern of perhaps all parts of the rail industry for the interests of the travelling public. Certainly in some local authority areas we have railways closed down for several weeks a year with, I think, scant regard to the interests of the public sometimes. So I think there needs to be better project management but also a more effective dialogue between the rail industry and it stakeholders, the passengers.

Q89 Mrs Ellman: In relation to the breakdown over the holidays as distinct from general maintenance does anybody have a reason why this happened? Do you think that having more work brought in-house would have made a difference? Does anybody have any view on that?

Ms Bonar: The view that many of the industry are taking is that this is a failure of management and of project management and even if the work were being procured in-house the question arises that Network Rail would need to be able to manage the job that it is committed to undertaking.

Q90 Chairman: Are you saying that it is both; it is not just Network Rail but it is also the people actually running the project directly? They are not the same management, are they?

Ms Bonar: They are not the same management; this was an outsourced job, for which Network Rail remains responsible but has an outsourcer party—in this case, as you have yourself mentioned, Bechtel—running the job. If Network Rail were to take the programme management in-house and therefore employ the people who Bechtel employ it still has to be able to manage this process.

Q91 Chairman: Are you saying that they would not be able to? That is what you are being asked.

Ms Bonar: I see no reason why they would do it better doing it in-house than by outsourcing it.

Q92 Mrs Ellman: What about the role of the Office for Rail Regulation; is it failing in its duties?

Ms Bonar: The role of the Office for Rail Regulation here, in this sort of situation, is almost inevitably after the event. The planning of the work over this period was something which had been agreed with the railway and with the operators and of which the Regulator was aware. The change that was asked for in terms of the extension, as I understand it, was something that the Office for Rail Regulation agreed to, but it can only rely on the information which has been presented to it by the stewarding party, in this case Network Rail, when it is asked to agree to that sort of thing.

Q93 Mrs Ellman: Are you saying then that the Rail Regulator is not proactive in trying—

Ms Bonar: It is not.

Q94 Chairman: Mr Perry, do you want to finish on that?

Mr Perry: What I wanted to point to was an important move that is in the White Paper and it is very important that the Regulator keeps Network Rail to it, and that is a move to do very much more of the maintenance to the railway without shutting the railway—that is commonly referred to as the seven-day railway.

Q95 Chairman: But on this specific point as to whether or not the ORR is capable of holding Network Rail to their responsibilities, do you have a view?

Mr Perry: No.

Q96 Chairman: Anyone else? Dr Harrison?

Dr Harrison: No.

Q97 Chairman: We are all being tactful. Yes, Mr McKenna?

Mr McKenna: Simply to reiterate that it is about team culture and it is about longer-term relationships, whether they are in-house or between the in-house team and the external team, and you can make a difference—we know this from our experience in terms of highway works—as long as you keep at it, you get a good team, you have that stability of the team over time. The ORR barking at Network Rail for this particular failure will not actually solve the problem.

Q98 Mrs Ellman: The White Paper also looks to the future, to a 24/7 economy, when it is going to be more difficult to have planned maintenance that shuts the railway down. Do you have any ideas of how that could be dealt with?
Mr Perry: Madam Chairman, exactly how it is done will of course be developed by Network Rail. It is a very important shift in the way that we manage the railway. I think it is very important for our customers; it is very important for the development of getting people out of their cars so that they rely on public transport.

Q99 Chairman: Mr Perry, people do understand how important it is. You are being asked if you cannot shut down important bits of the railway system how are we going to move to a 24-hour society. Mr Perry: The point I was coming to is that there is very good international experience on how to maintain your railway, closing it down much less frequently. Other railways are very good at that and I think there is a lot to learn from some of our European friends.

Q100 Chairman: Dr Harrison on this point. Dr Harrison: Thank you, Madam Chairman. I think there are two issues: one is the flexibility of the network and one of the difficulties that we are experiencing is that the flexibility of the rail network was reduced by reductions in capacity, taking out alternative routes, limiting capacity on alternative routes. So there is a certain amount of mitigation measures which can be done to increase capacity of alternative routes to enable diversion. The second issue comes down to undoubtedly sometimes you do have to close the railway, and it comes back to the heart of the question that you were addressing. I think the public needs to understand and to buy into what is happening; so to recognise that there does have to be closure.

Q101 Chairman: But they do need to be told in order to understand. Dr Harrison: They need to be told and to buy-in, and then the rail industry needs to deliver. So if they are told that this has to happen—a closure has to take place for a week in order to achieve certain work—then there has to be 100% delivery from the rail industry, that it sticks to that bargain with the public.

Q102 Mr Martlew: It is a myth of a seven day a week railway. On the west coast mainline at the moment we have a five day week railway—in reality we should be going for probably a six and a half day railway. If we continue to say that we need a seven day a week railway there will be two things that will happen: one, maintenance will fall behind; and, two, if it does not fall behind the cost will be excessive of keeping it maintained. So are we not peddling a myth about a seven day a week railway 365 days a year? Dr Harrison: I think on behalf of the travelling public the County Surveyors Society would resist that suggestion, to the extent that social patterns have changed, as is recognised in both the White Paper and the Network Rail business plan, and therefore Sunday is now a key travelling day for many people.

Q103 Mr Martlew: Do you think people should pay more to have a seven day a week railway?

Q104 Chairman: Dr Harrison, as anybody who uses the west coast mainline over the weekend knows, it is only on Monday to Friday that you get what you want. Saturday and Sunday it is quite entertaining because you never have the faintest idea when you are going to arrive or even where you are going! It does lend itself to the gaiety of life but is it not better to say, “We cannot run a seven day service” than to say “We will run a seven day service” and then have absolutely furious people decanted on to Euston or the other end calling down every curse upon the name of certain well known publicists? Dr Harrison: I acknowledge, Madam Chairman and Members, that there has to be a recognition about what is realistic for the rail industry but I do not think it is acceptable to go back and to say that Sunday is a no-go day for rail travel.

Q105 Chairman: What are we asking you is something that happens now; does that not happen now? Mr Brennan, you are going to tell me that Virgin do not have that, they have a seven day railway? Mr Brennan: Certainly not. I think that there may be different models of how and when to take engineering possessions to get the work done that needs to be done and different parties will argue about what is the best method. What seems to be clear from the debacle over the last week or two is that the issue is one of certainty, of people knowing what is happening, of the train operating companies knowing what is happening and the general public knowing what is happening. In a sense, people do not mind too much as long as they have the information to make alternative travel arrangements.

Q106 Chairman: I think, Mr Brennan, they do mind. If they are going to be uncomfortable in a coach for an hour and a half they would rather be uncomfortable from point of issue to point of delivery at about one-sixteenth of the money. If I am going to be uncomfortable at least at the other end of it I want to buy a very large bottle of perfume! Mr Brennan: I think the least comfort is waiting on a platform and not knowing if there is going to be a train and where it is going to go. Chairman: True; some of us get quite vocal before that!

Q107 Mr Clelland: There is a view that the White Paper is too much centred on London and the southeast and when taken together with the recent announcement about the investment in Crossrail that view was perhaps reinforced. Would any of our witnesses care to comment on that? Mr McKenna: Yes, Chairman, if I may? Certainly our view from the County Surveyors Society is that there needs to be the appropriate balance, whatever that balance is. At the moment it does appear that most of
the money is going into London and some of it to the rest of the southeast, and there are obviously good national economic reasons for a lot of that, but there is not sufficient information from the White Paper that it does represent a good balance in terms of the national economy, regional planning, regional economics, etcetera. That needs to be tested and the government needs to balance that properly.

Q108 Mr Clelland: So would a more proactive policy to improve and develop rail services in regions other than London help to improve modal shift in those regions?

Mr McKenna: Certainly we argued from our perspective that more funding should go into local transport and rail is a big component in many places of local transport. So we need to consider that investment as well as the rail investment, as well as where the rail investment takes place, and that needs to be better balanced than perhaps it appears to be at the moment.

Mr Perry: We have to put the appropriate solutions into the appropriate situation. It is very clear that there are very high flows around London that are not necessarily replicated in commuting flows in all of the other cities. Therefore, some non-rail solutions are sometimes more appropriate; and light rail is perhaps more appropriate. I think it would be nice to see better use of criteria of capacity and flow, for instance, because rail is very good at modal high capacity, high density corridors; it is not good at distributive tasks. I think the importance then of local influence and devolution of local transport planning is therefore quite important to take that kind of issue into account. It would be wrong for us to propose a system where heavy rail was the answer to everything—it is not. It is very good at cities, getting people in and out; it is very good at high density urban flows; it is very good at Inter-City; it is very good at bulk freight and those are the strengths that we have to use if we are going to have a sustainable transport system for this country.

Q109 Mr Clelland: In what sense are the long-term benefits of high speed rail uncertain, as claimed in the White Paper?

Mr Perry: I think the desperate need is for capacity. If we are going to have a policy to support modal shift to rail because it is good for CO₂ then that policy has to support the elimination or virtual elimination of domestic air flights; it is obscene, in CO₂ terms to be doing what we are doing, catching a plane from Bristol to Plymouth—it is crackers and we should not be doing it. And we should be making sure that we are hitting the road journeys as we will not make the CO₂ reduction that we need unless we make an impact on modal shift from road to rail, both in freight and passenger. We need policies that support that. Those policies clearly demand capacity and we should go as fast as is appropriate in order to attack the markets and provide an attractive service. Speed is part of the attraction. There are other attractions—how long you wait on a cold platform, whether you know the train is coming or not, all those things are part of the attraction of the journey.

Chairman: Whether the coffee is drinkable.

Q110 Graham Stringer: I would like to follow up Mr Clelland’s questions about priorities. If the point is that investment should not just follow demand, which the White Paper seems to believe it should, then what priority should be given between commuting into the big cities, the main routes into London, and a part of the rail system that is often forgotten about, which is the cross-country system. This Committee did a report six years ago on the Northern Rail cross-country system which showed that the time tables would have embarrassed Gladstone they were so bad. What priority should be given to those cross-country services, or should they just be left to rot?

Dr Harrison: If I may, Chairman, I think the Members have raised a very good point. There are capacity demands across all different sorts of rail travel, most obviously seen in commuting journeys to London; but there has equally been significant growth in commuting into cities across the UK—not just Manchester and Leeds but also places like Bristol and even Exeter down in Devon. And significant increases in cross-country movements, for example, between Cardiff and Portsmouth; on the route there the passengers doubled over about five years. So I think it is appropriate that investment flows in part to all those different elements of the rail network. One of the problems in the White Paper is that it concentrates primarily on what you might call mega projects—things like Crossrail, which are very expensive—and there are smaller scale investments which can deliver equally good value for money on other parts of the network, and it is the view of County Surveyors Society that some of the investment should also flow to the regions, to those things which will deliver transport solutions locally, as well as things which concentrate on London.

Q111 Graham Stringer: Just to follow that very specifically, is it sensible and should it be changed that the time to get from Doncaster to London is almost exactly the same time as to get from Doncaster to Manchester? Can you have a decent rail system if you have time tables like that?

Dr Harrison: Clearly the travel times and cost have an impact on economic development patterns and obviously one of the things that has happened by the concentration on London is the encouragement for people to make longer and longer journeys to London. In a sense that reinforces the economic dominance of London and the southeast compared with other parts of the UK, so you might say that higher speed rail journeys could actually contribute to making economic development more difficult in the north or southwest or other peripheral regions.

Q112 Graham Stringer: One of the witnesses—I am sorry. I cannot remember who it was now—said that part of the problem of keeping a railway going was that a lot of alternative routes had been closed down. Are you saying positively that those alternative routes should be opened up? In terms of capacity and getting people back on to rail, do you believe that some of the routes that have been closed since the
sixties and seventies, like the Woodhead Tunnel at the moment on the Lewes route, should be protected with a view to being brought back into use in the future?

Dr Harrison: We are disappointed at the statement within the White Paper that there will be no rail lines reopened. On the other hand, we are pleased with the undertaking that there will be no closures. I think it is absolutely right that former rail corridors should be protected where possible by planning policies to ensure the opportunity is there in the future for reopening. Beyond that, I think every case has to be taken on its merits. Before we look at rail reopenings, there are many cases across the country of routes which have had their capacity significantly diminished by reductions from double track to single track railways and there are cost effective solutions in many cases towards increasing capacity there just by additional passing loops or sections of double track. That enables routes to serve as diversion routes which is obviously helpful for tackling the maintenance problems we were talking about earlier.

Q113 Graham Stringer: Is part of the problem with the railway system that usually the man from Whitehall does not know best? The civil servants are too involved in the detail of specifying the franchises. They are getting increasingly involved in the detail. Is that a problem as some of the train operating companies seem to think it is?

Dr Harrison: That has been a great frustration certainly for local authorities in the south west where the franchise specification imposed reductions in train timetables and reductions in the amount of rolling stock, against a background of year on year passenger increase over the previous five years. One of the things that we are looking to as local authorities is to work with the Department for Transport to try and turn round that situation, to make sure that we do not lose those people from the rail network. At the moment some people are being squeezed off or priced off the network.

Q114 Mr Martlew: On the specific question of whether there is too much government involvement, I am not sure which local authority you work for but I know that my local authority has written to the government complaining that, with the new timetable, the trains are not stopping in the area. They are demanding that the government do something about it. Is there not a bit of hypocrisy to the extent that we say, “Let the railways get on with it”, but when something happens that we do not like we say that the government should do something about it? My own view is that the government should do something about it but they should have control of the railways as well. At the moment they do not have that but they are being accused of doing things which the train operators are doing.

Ms Bonar: You have to some extent gone back to the previous point about the specification in detail by the Department for Transport for franchises, which is generally the approach which is currently being taken. As far as the core services are concerned, the question of whether trains stop at particular stations or not is generally something which is specified by the Department, so it is back to the process which is undertaken by the Department for consulting stakeholders in relation to its proposals for new franchises and then whether the responses to those actually have any weight and what is done with those responses. It is not simply a question of train operators setting where they are going to stop.

Q115 Mr Martlew: On the existing franchise they have just changed the timetable for 2009. It was not in the original franchise. It is a matter for Network Rail and the operators.

Ms Bonar: If we are talking about the franchise which was granted some years ago or a new one, it will have a core specification which was set by government. That will include where services stop but not for every service.

Q116 Clive Elford: Can I just ask you about an answer you gave earlier on about the problems that Network Rail had recently? In addition to not delivering on time, one of the biggest problems was the late notice that services were not going to be resumed. Who do you hold responsible for that?

Ms Bonar: Network Rail is responsible for notifying the train operators. The train operators are responsible for notifying the travelling public.

Q117 Clive Elford: Do you think Network Rail themselves were notified by the people, to use your term, that they had outsourced the work to in time to do that?

Ms Bonar: I do not know whether they were but they should have had a contract which meant that they were being notified.

Q118 Clive Elford: My point is that you seem to have dismissed the possibility that things could have been improved if there were fewer tiers of involvement in the contract. Do you not think that Network Rail would have been better informed had they been managing the whole thing?

Ms Bonar: I would have hoped that they would have had no excuse for not being informed if they had been managing the whole thing. What I was saying was that I did not see that they would necessarily manage it better by doing it in-house rather than externally.

Q119 Clive Elford: You have repeated the same point again. In terms of future efficiencies within the industry, if we are going to get value for money, do you accept that we have to get more value for money out of the money that is being invested in the industry? To reduce the amount which the fare paying passenger and the taxpayer is forced to pay for the industry, it has to come from efficiencies in the people involved in the industry?

Mr Perry: I think that is fair. It is part of the engineering challenge, if you like, that we see as engineers to deliver more than we do for less. That is a constant challenge. I think it is interesting that, as Roger Ford pointed out earlier, by and large that has been managed around the rolling stock but we do seem to be struggling on the infrastructure. Having said that, I think it is unreasonable to expect that
government has not got a significant role in improving the railway infrastructure to do more in terms of a sustainable transport system for this country. The laying down of infrastructure by and large is something that people look at governments to do with an eye to the future. If you do that with CO2 in mind, yes, we accept we have to do more but to imagine that everything is going to come from the fare paying passenger we will not get what we need in order to establish good modal shift and a sustainable transport system.

Q120 Clive Efford: Is there no case for electrification in England and Wales before the end of 2014?
Mr Perry: I think there is a huge case for electrification. On a rolling programme, it is the way that the costs come down. You get performance benefits, running cost benefits, regeneration benefits, so you get energy efficiency benefits and you get benefits from improving the energy mix. We talked about joined up government policies earlier and having an energy policy. To be honest, a simple way to think about this is that if you have an electric train running on green electricity then you are pretty well as sustainable as you can get for transport on the planet.

Q121 Clive Efford: How achievable is that, running trains on renewables?
Mr Perry: Very. The more renewables there are in your energy policy and in your energy mix, the better it is. Recently the industry did some work and we compared the energy used by trains in Essex with energy used by trains in Sweden. Surprise, surprise, it was a very similar train and very similar energy, but the movement in Sweden produced 5,000 times less CO2 than the train in Essex. If you are looking for sustainable transport, we are talking about a 10% weight saving here and a couple of per cent on the load factor there and we ignore issues like multiples of 5,000. I think we are missing the point. There is a very important energy policy thing that goes along with electrification than to produce hydrogen to straight into the train than to produce hydrogen to transport somewhere to put into the train. It is much more energy efficient not to use hydrogen than it is to use hydrogen. We sometimes miss that well to wheel issue about hydrogen. It costs a lot of energy to produce it.

Q122 Clive Efford: Do you think the appropriate policies are in place to achieve that?
Mr Perry: It is not visible from the White Paper.

Q123 Clive Efford: Does electrification allow for increased capacity?
Mr Perry: Yes.

Q124 Clive Efford: Over what length of time should investments such as electrification be amortised?
Mr Perry: Over the time that we are going to have a CO2 climate change problem. It is in that context I think that we should be looking at it.

Q125 Clive Efford: Do you think that the timescales that have been required by the government are ----?  
Mr Perry: Yes, of course. We are going to have that problem for 50 or 60 years. If we do not do anything quickly about it, science is suggesting that we will not be here to discuss the rest of the 50 or 60 years so we have to get on the case here. It is a 21st century problem.

Q126 Clive Efford: In terms of electrification, do you think that there is a strategic approach being taken—for instance, a rolling programme of investment?
Mr Perry: It is not visible yet. I hope it will come.

Q127 Mr Clelland: We heard earlier from our witness, Mr Ford, that the Maglev system would not necessarily be environmentally friendly because it used a lot of energy, but given what you have said about the increasing use of green energy does that not make the Maglev system more attractive?
Mr Perry: You have to think about the price of these things as well. Let us imagine we have green, cheap electricity. Go as fast as you like. Use as much as you like. Will we get to that position in the 21st century in this country? I doubt it.

Q128 Chairman: We have not talked about hydrogen fuel cells. Have you considered those?
Mr Perry: We have but you have to bear in mind that it is much more efficient to use your power to put it straight into the train than to produce hydrogen to transport somewhere to put into the train. It is probably four or five times more energy efficient not to use hydrogen than it is to use hydrogen. We sometimes miss that well to wheel issue about hydrogen. It costs a lot of energy to produce it.

Q129 Chairman: Is the White Paper sufficiently active in promoting a modal shift to the railways?
Mr Perry: No, I do not believe it is.

Q130 Chairman: You are saying that it is possible to have an electrified system throughout the whole of the railway system in the United Kingdom?
Mr Perry: It is possible to have a lot more electrification than we currently have starting with infill and a rolling programme that would then embrace all of the outstanding major routes.

Q131 Chairman: Are you also saying that it is realistic to expect that the increase in the number of travellers can balance franchise operators’ costs?
Mr Perry: I am not terribly fussed about how we do the sums.

Q132 Chairman: Careful, Mr Perry. Your public image is at risk.
Mr Perry: What I am interested in is a pricing regime that does not make the environmentally friendly modes carry a penalty. That is where we are at the moment.

Q133 Chairman: Is there a suppressed demand for extra rail services in cities other than London?
Mr Perry: I am sure the perception that rail is expensive suppresses demand, yes.

Q134 Chairman: Are there other areas of the country where, if there was a rebalancing in favour of the passenger, we would get that?
Mr Harrison: I am confident that there is suppressed demand at locations across the UK, either suppressed demand through lack of train capacity or through lack of frequency.
Q135 Chairman: Give us an example.

Dr Harrison: I briefly mentioned earlier the Portsmouth to Cardiff route where the franchise specification has reduced the train capacity from mainly three coach trains to mainly two coach trains. There are people who will not go travelling on the route now because they are not sure whether they are going to get on a train or get a seat. Colin earlier referred to our role in local transport planning. As local authorities, we are very keen to promote modal shift. There is an increasing demand for transport and we cannot do it by building more highway capacity. Therefore, it is a fundamental part of our planning and national spatial planning, that we should invest in alternative modes of transport and rail is obviously an example.

Q136 Chairman: Are the 1,300 new carriages that they are talking about going to do anything about congestion outside London?

Dr Harrison: We are very pleased to see recognition of increased capacity but out of 1,300 additional carriages, as we understand it, the focus is going to be almost entirely on London, 1,200 on urban areas and I think just 30 for rural and smaller areas. That is nowhere near enough. We believe that part of the capacity increase can be produced relatively cheaply in rail industry terms without requiring infrastructure by train lengthening and that additional capacity should be spread more broadly over the system rather than just focusing on London.

Q137 Chairman: Is it true, as the government says, that journey time is less important than reliability and flexibility?

Mr McKenna: It will vary according to the market that you are looking at but if we look at the south east for example and longer distance south east travel, the reliability, given that journey times are generally quite poor, is much more important. Knowing that you will get somewhere in a certain time is much more important than shaving five minutes of an unreliable journey.

Q138 Chairman: What about the rolling stock? When we talk about Intercity 125s, are they the only ones that are approaching life expiry?

Dr Harrison: No. I can certainly give you experience from Devon where we have been the unfortunate recipients of Pacer trains cascaded to Devon from the north of England. I can see some Members may have experience of these trains. We are disappointed firstly to have them replacing more suitable rolling stock but secondly to note that the White Paper suggests that they will be replaced some time towards the end of the next decade. In other words, we believe that there is a case for more local train units as well as replacement high speed trains.

Q139 Chairman: Is it a punishment on you for giving up that system that Brunel thought of with leather straps. Is electrification inherently more expensive?

Mr Perry: It is expensive to put down but is running costs are less. You get improved capacity.

Chairman: Therefore do we have the order right when we say we will do the electrification after we have the cab based signalling?

Mr Perry: No. The two things should not be linked.

Chairman: You have been very helpful, gentlemen and madam. Thank you very much indeed. We are very grateful to you.
had a robust conversation with Network Rail, as you can imagine, saying we need to change the relationship. They need to be more transparent with us on what is going well and what is not going well.

Q144 Mrs Ellman: How have they reacted? Over the Christmas and New Year period, you felt it necessary to send out letters separating yourself from Network Rail and putting the responsibility for what was happening firmly on them.

Mr Collins: I think it was important we communicated with the passengers so we did that through taking advertisements out in the newspaper, through radio and television and writing direct to those passengers we could contact to make them aware of what had happened and what we were trying to do to minimise the problem with travel.

Q145 Mrs Ellman: What kind of communications went between you and Network Rail over the Christmas and New Year period? Were you told what was happening or did you just find out after the event?

Mr Gibb: We were in constant contact with Network Rail by the minute literally between Christmas and New Year and I handled most of those communications myself. You can imagine it was a moving feast.

Q146 Chairman: What was the first contact that you had which gave you an indication? When did you first know that your services were going to be materially damaged?

Mr Gibb: On 6 December Network Rail offered us a choice of closing the railway at Rugby on Christmas Eve or New Year’s Eve. They found that up on 17 December, at deciding that they wanted to close the railway on 31 December. Within 24 hours we had been to the Office of Rail Regulation to try and stop that because of the late notice. At that stage we had over 6000 seat reservations on New Year’s Eve and some 60,000 customers intending to travel with us so we tried to stop it. That was not successful. The Office of Rail Regulation decided it was in the best interests of customers in the long term for the work to go ahead so we immediately turned to communicating with our customers via every possible means about what was going to happen on new year’s eve. On New Year’s Eve, when I was on the platform at Euston Station helping customers, I took a phone call to say that they were not going to finish the work at the end of New Year’s Eve and it was going to go on until, at that time, mid day on New Year’s Day.

Q147 Chairman: I need a timeline that is precise. 6 December was the first?

Mr Gibb: Yes.

Q148 Chairman: You were offered a choice then of the two important holidays?

Mr Gibb: Yes.

Q149 Chairman: You chose Christmas Eve?

Mr Gibb: No, we did not choose either. We objected to both.

Q150 Chairman: You were then told Network Rail had taken the decision and had decided on New Year’s Eve. You were told that when?

Mr Gibb: I was told that on 17 December.

Q151 Chairman: On 17 December you went to the ORR?

Mr Gibb: Immediately, yes.

Q152 Chairman: This dispute continued until the Christmas period presumably. The first indication you had of the real overrun from New Year’s Day was when you were actually there?

Mr Gibb: On New Year’s Eve. At that stage, the overrun was only going to be to midday on 1 January. It then moved back and at one point on 1 January Network Rail told me they could not tell me when the railway would reopen. At that stage I was at Birmingham International helping customers with Tony on and off the coaches and I took a phone call from them to say that they did not know when the railway would reopen and they would let me know within the next few days.

Q153 Graham Stringer: This Committee is familiar with the rail industry and it is a very small group of people at the top who talk to each other regularly. Are you saying that before 6 December 2007 you did not know this work was going to take place?

Mr Gibb: I did not know that this work was going to take place.

Q154 Graham Stringer: At all?

Mr Gibb: We originally offered them New Year’s Eve.

Q155 Graham Stringer: I am not talking about the formal notification. This is a major project of improving the West Coast Main Line. Are you saying that it was a bolt out of the blue when you were told on 6 December?

Mr Collins: No. The background is we had agreed in December 2006 a five day blockade.

Q156 Chairman: They are all public holidays?

Mr Collins: The possessions are targeted when there is the least amount of people planning to travel.

Q157 Chairman: I am not arguing the reasons. I am saying that you were given a list and they were all public holidays?

Mr Collins: For this particular one we had agreed in December 2006 a five day blockade.

Q158 Graham Stringer: You had actually known the work was going to be done 12 months in advance?

Mr Collins: Yes.

Q159 Graham Stringer: You just did not know when?

Mr Collins: We planned for that work and we had agreed a possession 12 months earlier to start on Boxing Day for five days. That work has not changed. It just ran four days longer than it should have and it is that overrun which we only started to understand the scale of right before Christmas Eve.
Q160 Graham Stringer: You had known that this work was going to take place for 12 months?

Mr Collins: Correct.

Q161 Graham Stringer: You were told about changes in the scheduling of it?

Mr Collins: That is right. It was supposed to have taken five days to do the work and it ended up taking nine days.

Q162 Mrs Ellman: What are your views on the work of the Office of the Rail Regulator?

Mr Collins: I disagree with some of the previous evidence. The ORR should not have been reactive to the problem. They have enough powers to investigate issues arising and I would have thought they would have done that given the problem with the Portsmouth signalling issue. One of the things we will be challenging the ORR on is why did they not put checks and balances in place as a result of that particular incident to make sure that these types of major projects were being managed properly. Another point is that they could usefully use the train operators as their eyes and ears and give us powers to keep Network Rail honest on these types of projects as well. We could start to see the signs of these overruns appearing as early as October last year. We were advising Network Rail that we were getting concerned about this problem. The ORR should have been more proactive given past experience and I think they could usefully use the train operators and the freight operators to keep an eye on Network Rail to make sure this does not keep happening again.

Q163 Mrs Ellman: In your written evidence you laid great emphasis on the fact that the public relate to the train operators much more directly than they do to Network Rail. They are more conscious of who is running the trains. Do you think that issue is dealt with properly in the Rail White Paper?

Mr Collins: I do not. The issue with the white paper is that it underestimates the amount of passenger volume growth that we are going to experience. We believe the passenger volumes that are quoted in the White Paper that are going to occur by 2014 will happen three years earlier. We will hit that volume level and overcrowding by 2011. The people developing these plans should look more towards the train operators and the freight operators to keep an eye on Network Rail to make sure that we try to pass on to our customers about those possibilities. Perhaps with hindsight before Christmas we should have said even more.

Q164 Mr Martlew: You are saying that to some extent the Office of the Rail Regulator is to blame?

Mr Collins: They have the powers. If I were them, given what happened with the Portsmouth signalling incident, I would have put special checks and balances in on major projects like this to make sure things were happening correctly.

Q165 Mr Martlew: We have a press release about their investigation into what went wrong. Do you really think that they are the people to be investigated if they could be part of the problem?

Mr Collins: They are the only people currently who can investigate under the rules. The point I am trying to make is that my view is that they should have put special checks in as a result of the Portsmouth problem to make sure that lessons had been learned and they usefully could have used the train operators and the freight operators to identify problems emerging on these types of upgrades.

Q166 Graham Stringer: Going back to the dialogue between yourselves and Network Rail, you said you were beginning to worry that this work would overrun and you did not believe that Network Rail and their contractors could finish it on time. What exactly did you say to them?

Mr Gibb: I sought assurances from Network Rail that they could complete the work in the time that they had asked for. They asked for this additional day on New Year’s Eve. I said to them and so did the Office of Rail Regulation, “Can you complete the work in that time?” They were adamant they could. As it turned out, they clearly could not complete the work in that time. There was little more I could do than seek those assurances but I did have concerns going back over some months that the project was being properly managed but not specific concerns about a particular bit of the work in a particular place.

Q167 Graham Stringer: Can you tell us why you were concerned?

Mr Gibb: I was concerned because I knew the project at Rugby had been planned for more than 12 months and yet with just 18 days to go they were still frantically moving the amount of work around, moving resources around, replanning the job. It had all the signs of a project that was completely out of control.

Q168 Graham Stringer: What was Network Rail’s response? You say they said, “We will have it finished by midnight on New Year’s Eve.” Did they give you any more detailed response than that?

Mr Gibb: They told me that they had reorganised resources, moved resources around between jobs and that they were adamant the work could be completed. I asked a whole series of questions that you would ask. For example, what happens if it snows? Will you still be able to complete the work? They assured me that they could.

Q169 Graham Stringer: With hindsight, is there anything that you think you could have done to influence anybody in the system—the government, the Rail Regulator, Network Rail—so that we would have had a happier outcome to this?

Mr Gibb: With hindsight, perhaps we should have been clearer to customers about the possibility of our concerns. We have in recent months increased the amount of communication to customers that says that sometimes engineering work will not finish on time. Please check at weekends at the last minute before travelling. We have increased the knowledge that we try to pass on to our customers about those possibilities. Perhaps with hindsight before Christmas we should have said even more.
Q170 Graham Stringer: What was the response time between you communicating with the public from when you knew it was going to overrun? How long did it take you to communicate with the public?

Mr Gibb: About three to four hours in most cases. I needed to have things like websites set up because I knew that the moment we communicated through the media people would hit our website to see what was going on, so clearly we needed to have something there. It took three to four hours to plan an outline train service and then go to the media. Clearly during the engineering overrun I had no trouble with that because I was at Birmingham International and I had all the media there so I literally walked out of the phone conferences straight to the TV cameras and gave the information which found its way to the customers very quickly. I found in the last couple of days of the overrun at Birmingham International that most customers knew what to expect because they had heard what was going on.

Q171 Graham Stringer: Given your worries and concerns about Bectel and Network Rail, had you got your contingencies in place of buses and other transport arrangements?

Mr Gibb: I had contingencies in place. A lot of my staff came in specially to work on those extra days. A lot of people from the bus industry came in. We were able to source coaches and buses to shuffle and our contingency plans mercifully worked pretty well.

Q172 Clive Efford: When you started to answer Mr Stringer’s questions earlier on, you referred to a request for either Christmas Eve or new year’s eve. That does not seem to fit with the answer that Mr Collins about the work starting from Boxing Day and running for five days and then overrunning. What was the reference to Christmas Eve?

Mr Gibb: There were no trains planned to run Christmas day or Boxing Day. The work was planned to start after the last train on Christmas Eve and run through until the morning of New Year’s Eve. That was the block of work. The options were to start 24 hours earlier and shut the line on Christmas Eve or to run—

Q173 Clive Efford: 48 hours earlier?

Mr Gibb: No, 24 hours, to close the line on Christmas Eve or to run later by 24 hours and close the line on new year’s eve.

Q174 Clive Efford: Is there something I have misunderstood? I thought that Mr Collins said that the work was due to start on Boxing Day, which it did.

Mr Gibb: It was due to start on Boxing Day, such that the railway was closed already on Christmas day and Boxing Day because there were no trains.

Q175 Clive Efford: I understand that.

Mr Gibb: The work was always due to start on Christmas Eve.

Q176 Clive Efford: They wanted to start two days earlier on Christmas Eve?

Mr Gibb: Yes.

Q177 Clive Efford: Did that not give you any indication that the work was likely to overrun?

Mr Gibb: Not at that stage but I could see by the fact that they were asking for an extra day at the very last minute in this way that clearly the project was not under proper control.

Q178 Chairman: Did you ring up your boss and say, “Ring Sir Ian McAllister”? Mr Gibb: There were numerous communications between Tony and Ian Coucher in particular.

Q179 Chairman: Did you ring up the chairman and congratulate him on his knighthood?

Mr Collins: The news had passed me by so I did not feel that well informed. I was in regular dialogue with Ian Coucher during the whole period.

Q180 Chairman: I do not think we are surprised that you were not well informed. I do not think anybody was exactly well informed.

Mr Collins: I was in regular dialogue with Ian Coucher to try and get through this problem.

Q181 Clive Efford: On this overrun and being told that it was going to be 24 hours and then it ended up being four days, what did you put that down to, the fact that they got that so wrong?

Mr Gibb: The communications between the project management team, whether they were Network Rail or Bectel or other parties and Network Rail itself, were not good. In the end, a team of operators from Network Rail was sent in to manage the project at the last minute, take control of it and decide how the railway was going to be reopened.

Q182 Clive Efford: You do not know who would be responsible, whether it was the contractor or Network Rail themselves?

Mr Gibb: Frankly, I do not think my customers minded where the boundary of responsibility rested. They just wanted to see the railway reopened and I look forward to the rail regulator’s investigation as to exactly what the outcome was because I want to avoid a repeat.

Q183 Clive Efford: I appreciate that. To avoid a repeat, you might have asked Network Rail what went wrong. Why did you not know? Why could you not tell us sooner that it was going to overrun by four days, not one?

Mr Gibb: They do not seem to know is the short answer.

Q184 Clive Efford: You have asked them?

Mr Gibb: I have asked and they are relying on their own internal investigation and that of the ORR in order to inform them as to the causes.
Q185 Clive Efford: There was nothing in your experience, knowing the scope of the work that was being undertaken, that would have told you from the outset that they were never going to do it in that period of time?

Mr Gibb: I knew it was a huge project but there are numerous huge projects going on on the railway network at the moment. Most of them do successfully complete on time. I had repeatedly sought assurances throughout December that this was going to complete on time and I had been told that it would.

Q186 Mr Martlew: On the issue of the extra coaches on routes, I have been asked various questions over a number of years now and it seems that we have come to a dead end or we have hit the buffers on this. It appears that Virgin has asked for an extra two years from the government on the franchise and the government have refused that. Is there any indication of a plan B so that we can get these coaches ordered and on the track before we run out of capacity?

Mr Collins: The proposal we made was to invest £300 million in the additional coaches and more car parks. We have to modify the depots to accept the trains.

Q187 Mr Martlew: Is this you investing or Angel Trains?

Mr Collins: Angel Trains would fund the vehicles. We would then look to find investment for the car parks. It is a big investment project. The reason we are very keen to do it, as I said earlier, is we believe we will hit the 2014 DfT predictions on volume and crowding levels by 2011. What we proposed was to start bringing the additional cars in in 2010 and completing the project by 2011. Yes, we have asked for a two year franchise extension but we believe in our proposal there would be a significant reduction in the subsidy requirement that we would ask for compared to a competitive process in 2012 by the tune of about £100 million. The other advantage is we would then have the capacity that would allow us to put lots more cheaper fares on because we would have the seats to sell. In terms of the second part of the question, is there a plan B, I do not know.

Q188 Mr Martlew: The government have written to you and said they do not agree with that?

Mr Collins: They said to us we would either get an answer of no or maybe. We have had the answer no. The letter, which is relatively short, says that they believe they will get better value for money by waiting until 2012 when the franchise is up for relet.

Q189 Mr Martlew: That means that these trains will not be ordered?

Mr Collins: I do not know. We have requested a meeting with the DfT to understand their reasoning and how they have evaluated the proposal but we do not know the details if there is a plan B.

Q190 Mr Martlew: You can guarantee that we will be asking the Minister when he appears before us on that. Mr Brown, with regard to the high speed train, it is seen to be very successful. Do you believe that there is a case for extending high speed one from St Pancras or building another line to the north?

Mr Brown: Yes, I do. I think there is a very good case not just to extend the line but over a period of, shall we say, 20 to 30 years to build a network of high speed lines, a high speed two and a high speed three. If you look at the rail policy from a wider perspective, a criticism I would make of the Rail White Paper is that it just essentially looks at the rail industry. It does not look at the wider transport markets. It does not look at the role of transport in helping regional development. I think there is a very strong case on environmental, regional development and on reducing congestion grounds for other high speed lines in Britain.

Q191 Mr Martlew: Which next one would be your priority?

Mr Brown: What is needed is the production of a 30 year strategy for railways which I do not think is contained in the White Paper. It is a very good HLOS statement but it is not a 30 year strategy as compared for instance to the Aviation White Paper which I think was produced three or four years ago now which produced a clear strategy for the expansion of airport and airline capacity within the UK. There is a real, urgent need to look at the development of rail capacity, the potential scope for high speed and which are likely to be the best corridors. I think there is an emerging agreement that London, Birmingham, Manchester would be the first but that needs to be part of a wider vision as to what the network could be to make sure you do not build bits which then do not contribute to a wider network in the longer term.

Q192 Mr Martlew: Do you think the reluctance from the Department of giving us a clear steer for the next 30 years is something to do with where the money would come from?

Mr Brown: I think that has a significant part to do with it but it is also frankly that we in this country are not used to planning for continuous growth in the rail mode. It is only in the last ten years or so that we have seen substantial growth. We have to reinvent the ability to plan, to produce clear strategies going ahead. I am quite optimistic. If you look at the Transport White Paper published in November, it has already moved from saying that there is likely to be a need for an additional north/south rail link at conventional speeds to saying there could be a case for high speed and we need to look at this in the context of corridor demand for transport as a whole and the impact that would have on the cities that would be served. I think there is quite a moving picture here in terms of government policy. We just have to keep moving it forward.

Q193 Chairman: Could you tell me about the new rolling stock because the White Paper promises 1,300 new carriages for the entire network. Is that enough?

Mr Brown: I am not really in a position to judge whether that is enough. I would agree with my colleagues from Virgin. I think the White Paper has taken probably an overly cautious view of the
amount of growth that is to happen. I think there is no suppressed demand. Whilst 1,300 is a very good start, the network is likely to require more. That is a relatively short, medium term enhancement to capacity. Even the White Paper acknowledges that the rail industry on slow rates of growth is likely to run out of capacity by the early 2020s, say, which is only 12 years away. We need to be planning now for the enhancements to capacity for the longer term.

Q194 Chairman: Do you agree with the government that passengers are less concerned with speed and time than they would be with reliability and flexibility?

Mr Brown: No, I do not. I think reliability and journey time are very important to passengers. To existing passengers, reliability and punctuality are probably more important because they have already made the decision to choose rail. They have already decided it is a reasonable journey time. If we want to see significant modal switch, journey time is also very important to encourage people to get out of their cars or planes but then punctuality is important. One of the key things about investment in high speed lines is not only are they faster, reducing journey times; they improve punctuality as well because they are purpose built for the particular need. You get both. It should not be a choice between one or the other.

Q195 Chairman: Why is it that the government thinks that the economic benefits particularly of high speed rail are not reliable? Why do you think they have that view? "Uncertain" I think they said, which is a nice Civil Service way of saying "Bloody useless".

Mr Brown: Looking at continental experience, it is simply not the case. We cannot be the only country in Europe who have got it right in terms of investing in high speed rail. Most other European countries are investing in high speed rail. They see it as part of a wider transport policy. They see it as an important contribution to developing regional economies, bringing cities and regions closer together. Clearly, they are convinced of the economic argument which I think is strong. We need to get better at making those arguments within Britain.

Q196 Chairman: Do you think their conclusions are based on flawed data, a report from the Rail Safety and Standards Board?

Mr Brown: I am quite clear they are. After I saw that data, I got in touch with the Rail Safety and Standards Board and they agree that certainly in respect of the emissions data it is wrong. I am trying to hurry them to issue what the data should be. In the case of Eurostar they have got our load factor out by a factor of more than 100%. That more than halves emissions per passenger kilometre compared with their numbers. It is also the case that in the UK electricity at the moment is a great deal more carbon emitting than most of the rest of Europe so the electricity used in France and Belgium is considerably cleaner and less carbon producing than in the UK. It is also the case that Eurostar trains are relatively old technologically. A new TGV duplex for instance would have significantly lower electricity consumption and emissions per passenger than even a Eurostar, which is much, much better than the data in the White Paper. I think they have bad data.

Q197 Chairman: Have you done cost benefit ratios on things like the west coast main line?

Mr Brown: I have not personally. Eurostar has not, but there has been quite a full study which I think Mr Steer referred to earlier by Atkins two or three years ago. I think there is an urgent need to update this data to take account of carbon emissions and regional development. If you add those in, it would be strong.

Q198 Chairman: Would high speed rail increase capacity as well as speed?

Mr Brown: Yes, because with high speed rail you can operate much bigger trains with higher capacity. As we have heard from previous witnesses, electric trains have better acceleration so you can run more trains in a given space of time on the same section of route. It would add more capacity than other ways of doing it.

Mr Collins: It then frees up capacity on the existing, classic lines. If you produce a high speed railway you could then free up more capacity on the current railway to better serve other cities. Key journey times apply to Birmingham, Manchester, London and Manchester so there is an added advantage. People will put more capacity into the existing system where you can improve journey times to attract more people. There is a win win. It is not a question of shall we have a high speed line at the expense of the current system; I think we need a high speed line and we need to continue to invest in the current system as well to put more capacity in. I think there is a huge amount of suppressed demand in the market because we are already at the limit of capacity. In environmental ways, we are still much more environmentally friendly than the car or the plane when we compare ourselves to them. There are also some examples of journey time and reliability in terms of attracting volume. If you look at the Manchester/London trip now, rail had 30% of the market three years ago and we now have 70% of the market. We have reversed it. We have seen a growth of 40% and a slight improvement on the Glasgow to London route. There are real opportunities out there but we need to put capacity in as a matter of urgency on the existing network whilst we come to terms with the high speed lines.

Q199 Mr Clelland: Do you agree, as some of our other witnesses appear to, that 21st century high speed rail should continue to consist of hundreds of tonnes of metal trundling along on steel rails or do you think we should be moving to a more highly technological solution like Maglev, for instance?

Mr Brown: I do agree with the previous witnesses. Maglev whilst the technology is established, nobody has built a network of Maglev services anywhere in the world. They tend to be quite short distance, point to point. To my knowledge, they have not produced a way of switching trains at a junction or switching Maglev, whatever they are called.
Q200 Chairman: That will not matter if you are just running up and down to London, will it? We can just not bother to go anywhere boring on the line.

Mr Brown: It would mean stopping everywhere on the way because you would not be able to bypass the station. One of the big flaws is it is not an extension of an existing network. You cannot phase it. If you want a Maglev line from the north east to London, until you have the whole thing you have nothing. With high speed rail, the way the French do it is to build sections at a time, each section improving journey times and improving the service. You do not need to build the whole lot in order to start enjoying the benefits. With Maglev, you have to build the whole lot before you get any benefits and I think the land take, the visual intrusion and all of those things are unproven.

Q201 Chairman: The government has rather lumped Maglev and high speed rail together. Have you pointed that out?

Mr Brown: The Rail White Paper in the summer ruled out Maglev. Then the government does seem to move on to acknowledging that there would appear to be a case for high speed rail with the November Transport Paper. I do think that this is a moving debate.

Q202 Chairman: A moving debate?

Mr Brown: The debate is moving on and becoming better and better informed.

Q203 Chairman: Meaning it is a tour round middle England. Can I ask you about electrification in general? Although we have discussed some bits of it, is there a case for electrification throughout England and Wales before the end of 2014?

Mr Collins: I would support the Roger Ford position. I think there is a case for electrification. It does produce more reliable services. It will allow you to increase capacity. It is more carbon friendly than the alternative of using diesel fuel and I think we should approach it and progressively increase capacity so infill electrification schemes would be a good idea as we develop the system and develop demand for the system.

Q204 Graham Stringer: Can you answer the conundrum that I drew out of witnesses earlier today? Why are the railways costing so much more money when you have the increased passenger fare and increased subsidy and punctuality and reliability not quite back where it was pre-Hatfield? Why is that?

Mr Collins: It is a very good question.

Q205 Graham Stringer: I am looking for a good answer.

Mr Collins: If you look at the elements of the costs in the industry, the costs of rolling stock and operating rolling stock are broadly comparable pre-Hatfield in the British Rail days. The area where cost looks very high is in the infrastructure provision. I do believe some of the reasons that are the health and safety standards that Network Rail now have to operate to. That puts cost into the system but we are getting a much safer railway as a result of that. I think there is a massive amount of investment. The honest answer is I do not really know why it should cost so much as it does.

Mr Brown: The economic model that the railway now operates is fundamentally different to pre-privatisation because what the train operators pay for infrastructure access is not really directly related to the cost of providing that infrastructure and British Rail used to manage its infrastructure cost to match the economics route by route. That no longer happens. It is not able to happen because of the cross charging. As well as that, there is effectively cross subsidy between different parts of the industry so with a profitable intercity route like the new National Express East Coast franchise it pays a substantial premium. That is one of the most profitable parts of the network. That is suppressing growth because it is pushing fares up on the most profitable bits. Some of the very unprofitable bits which will always require subsidy have been hugely expanded. There is no longer a match between cost levels by route and by service with the income that used to take place, whereas British Rail used to manage it on a route by route basis and they were able to adjust costs more effectively to the economics of a particular route and what that route could carry.

Mr Muir: Some quite fundamental things are changing in the underlying cost structure of the railway and have changed over the last 10 or 15 years that are unconnected with privatisation. They are somewhat similar to the cost structure in the civil engineering industry. The railway was in the past and still is substantially very labour intensive. We employ 70,000 people. Changes in society and people's attitude to real wages and safety and other things increase labour costs very substantially. Most industries account of that by technical improvements. The IT industry or the telecoms industry famously has been able to pay their staff enormously more salaries but the technical inventions in telecommunications are so great and so productive that they have easily paid for increased wages for their staff. In the case of the railway, we have found it difficult to get technical improvements which deliver hugely improved productivity. Network Rail and the train operators have tried investing in enormously capital intensive track laying machines that are half a mile long. We have tried to invest capital to deliver enormously improved productivity but it is proving difficult for technology to deliver the productivity to at the same time pay for increased wages and the better lifestyle that people want. Since I came into the industry ten years ago, it has moved from a 40 or a 45 hour week down to a 35 hour week. Quite right. Indeed, the hourly rate is probably 50% higher in real terms than it was but to paper that we need to productivity and that is hard to get.

Q206 Chairman: It may come as a shock to some of the unions to realise how well paid they are.

Mr Gibb: In the latter years of BR and the replacement rate of things like bridges was negligible and the solution to a breach deteriorating in the last ten years of BR was to put a speed restriction on it.
Clearly many of those bridges were built over a hundred years ago and require to be renewed at the moment. If you examined Network Rail’s rate of bridge replacement at the moment, it is quite staggering. It is many times higher than anything that BR did in its last years. We are really renewing a railway that is over 100 years old and I feel sure that some of the costs are attributable directly to that situation. Having in my latter years in BR presided over things called maintenance holidays, I have never seen that kind of behaviour since privatisation.

Q207 Mr Martlew: Maintenance holidays meant you just did not do any maintenance?
Mr Gibb: Absolutely. You just put it off because you could put it off by putting on speed restrictions, slowing the trains down, making the trains lighter. There was always a way of avoiding spending money in the last ten years of BR and leaving it for some generation later on.

Q208 Chairman: In other words, what has happened is that the money has gone into the infrastructure and even with all the inconvenience it is the investment in the system that has been a catch up on many, many years of underinvestment?
Mr Gibb: I do very honestly believe that from my 25 years of experience. I do believe the railway infrastructure is in a much better condition now than it was 25 years ago.

Q209 Mr Martlew: On a seven day week railway, in reality, on the west coast main line we have had a five day week railway. Would it not be sensible to be going for a six and a half day railway where Saturday nights and Sunday mornings were for maintenance?
Mr Gibb: It will be. There is undoubtedly a huge, pent up demand for travel on Saturdays and Sundays. Our plan currently is that in a year’s time we will step up the weekend service and provide a much better service. In two years’ time, I hope to see a true six and a half day railway on the west coast main line serving places like Manchester, Liverpool, Birmingham, Crewe and north of there. It was said earlier that this would come at a cost and it will but I believe that the demand from customers is there easily to meet that cost and I think we will see an explosion of demand at weekends. If you travel, as I did a few weeks ago, on a train in Germany at 8.30 on a Sunday morning, it was a 16 carriage train; it was completely full of people. They were not paying some discounted fare either. They were paying reasonably high levels of train fares. I was very impressed at how full that train was at that time on a Sunday morning.

Mr Collins: Can I add a word of caution? The point you make is a very good one. I think there is a huge challenge for Network Rail and us as an industry. We are operating a railway that is absolutely full. There is no slack in the system. To try and step it up to a seven day week railway is a huge challenge. One of the key questions we are asking Network Rail is we need to be convinced that we can deliver that seven day week. The plan for next year is six and a half days, as you have suggested, but even that is a huge step up in access to the railway and we have to be cautious that it is capable of being delivered reliably because, going back to the passengers, unreliability is number one on their list and we cannot raise an expectation that they can travel on weekends and then dash it. We have to be very cautious in what we do.

Mr Gibb: In practical terms, going back to the lengthening, if we are running an excellent service on a Sunday more people will go away for the weekend. When will they go away for a weekend? On a Friday evening. We are full at the moment on a Friday evening. If you catch one of our trains at round about 18.30 on a Friday evening, they are all full with standard class, first class and people standing down the aisles. By making an excellent weekend service available, we are going to make the Friday overcrowding even worse.

Q210 Graham Stringer: Do you accept the government’s suggestions on passenger figures in the White Paper?
Mr Collins: They are forecasting on average a real growth in passenger volume of about 3% per annum. They then predict the overcrowding levels would get to an unacceptable level by around 2014. Currently as an industry we are achieving twice that rate of real growth so we are achieving about 5.9% of real growth per annum and there is no reason to suggest, even with a slight downturn in the economy, that that type of growth will not continue for the foreseeable future. That is why I said earlier I could see us hitting those passenger volume and overcrowding levels on the west coast on our services three years earlier than the White Paper suggests we will get there.

Q211 Chairman: Mr Muir, your members used the government’s policy as a reason for accelerating the fares that the passenger has to pay. The government’s funding projections for control period four say that there is going to be a 34% growth in passenger revenue which means up from 6.7 billion in 2009–10 to nine billion in 2013–14. Is it sensible that it should go this way so that the passenger pays more? Will the effect be that the balance between infrastructure is changed in the way that the passenger will be paying more for the infrastructure? Is that sensible?
Mr Muir: The proportion of the railway that is paid for by the passenger in the fare box is clearly a political decision that the nation has to decide. I think there are enormous advantages to the country in a railway service and some of these advantages are not captured through the fare box. I think it is entirely right that there should be a substantial taxpayer contribution towards building the railway. The exact split is for the government to decide. It is the case that the assumptions do require a very substantial growth in passenger revenue.

Q212 Chairman: To what extent will the increase in unregulated fares accelerate if you are using that as a policy decision? What will be the increase in unregulated fares?
Mr Muir: When the two or three recent franchises were awarded, the government said that they were expecting unregulated fares to rise by between 2 and 3% per annum.
9 January 2008  Mr George Muir, Mr Richard Brown, Ms Louisa Bell, Mr Tony Collins and Mr Chris Gibb

Q213 Chairman: That seems very restrained. Are you sure that is all it is?
Mr Muir: Real, and at the moment they are only increasing on average by about 1.5%.

Q214 Chairman: Is it sensible that public funding should switch from operations to infrastructure?
Mr Muir: I have no real views on it.

Q215 Chairman: That makes you very unusual for a railwayman. It makes you almost unique. No real views? I always thought operating companies had views on fares, I have to tell you and not always those that the passengers either understand or agree with.
Mr Muir: In Britain we have created a much wider structure so the fares in the peak are very expensive, but it is quite expensive to run peak services. Equally, we make available an enormous number of very low cost, off-peak fares.

Q216 Chairman: Which nobody can find because they do not know where they are, but we will not start that again.
Mr Gibb: Eight out of 10 customers travelling from Manchester to London pay less than £31 for a one way trip.

Q217 Chairman: Which trains are these that they travel on?
Mr Gibb: These are people travelling from Manchester to London that do indeed find those cheap tickets and the average cost of a journey for a standard customer on our trains is 18p a mile. I think even the AA would admit that motoring costs 45p a mile so we are still very good value for money.
Chairman: I am delighted. It is very interesting. It must be some different railway from the one I go on every week.

Q218 Mr Martlew: Can I congratulate Virgin on the fare structure that I have recently come across? It does explain it but it seems to have been a long time coming, explaining to the passengers how they could get cheap fares and what the cheap fares were. Is that something that you have just brought in or do you just put them out on the shelves?
Mr Collins: The first thing we actively planned last year was to simplify the website so you get the cheapest fare first.

Q219 Mr Martlew: You used to have a system where you did not?
Mr Collins: The NRail system and our system was that somebody went in for a journey and was presented with the price of that journey. Now it starts with the cheapest fare, so the passengers work their way through the system to find the ticket they want. We are going to further simplify the ticket types in terms of the restrictions and that is something we are working on at the moment.
Chairman: We are going to come to an abrupt end, not because we are not delighted to know about effective ways of buying tickets but because our masters call. Thank you very much for your evidence. You have been extraordinarily helpful. It has been very revealing.
Wednesday 23 January 2008

Members present

Mrs Gwyneth Dunwoody, in the Chair
Clive Efford
Mrs Louise Ellman
Mr Philip Hollobone
Mr Eric Martlew
Mr Lee Scott
David Simpson
Graham Stringer

Witnesses: Sir Ian McAllister, Chairman, Mr Iain Coucher, Chief Executive, and Mr Paul Plummer, Director of Planning and Regulation, Network Rail, gave evidence.

Q220 Chairman: Gentlemen, I hope you have had enough time to take a deep breath and change hats. It is very clear now that what we intend to do is to move on to our other brief: “Delivering a sustainable railway: a 30-year strategy for the railways?” We welcome you, Sir Ian and Mr Coucher, together with Mr Plummer. You have looked at the White Paper, its objectives and priorities. Can you tell us your views?

Mr Coucher: Certainly, Madam Chairman. This is the first time for many years that we actually have a long-term strategy. The Government produced a five-year statement about the outlooks for the railway—and I think all stakeholders agreed about the value and the need to invest in railways—but they have also produced a 30-year strategy, which lays out the longer term vision for the railways. I think it is a good basis on which we can build. There is a lot more work to be done and a lot of questions to be asked about the long term but it gives a firm foundation for the future.

Q221 Chairman: Do you think, in the light of the growth in passenger numbers and the environmental challenges that we have, a strategy has been set out that will shape developments rather than simply react to them?

Mr Plummer: I think we have, as a result of this and the work we have done in response to it, a very clear plan for how we are going to respond in the short term.

Q222 Chairman: Yes, Mr Plummer, but you did not actually write the White Paper. I was asking you whether you thought the Government had shown sufficient strategy in relation not only to growth in passenger numbers but also the environmental challenges.

Mr Plummer: Those are clearly very closely linked. The short-term response is part of it but that short-term response is part of a longer term strategy, as Iain said. There is I think now much greater consensus, which is a fantastic place to start from, about that growth. There is much greater commitment to funding over a longer period of time. I think there is a much greater understanding of what it is we need to do to deliver that, but equally there are many areas where we need to do further work for the longer term.

Q223 Chairman: What about modal shift? Will this White Paper encourage modal shift to the railways?

Mr Plummer: I think it provides the basis on which we can then continue to grow on the top of what we have. We have clear plans for what we are going to do, and then we have some considerable flexibility—more than we have had in the past—on how we can then deliver extra growth on the top of that if the demand materialises and how we can encourage people to use the railways more and respond more flexibly to that growth as it arises.

Q224 Chairman: How joined up is the White Paper and Government policy in relation to things like spatial planning and energy?

Mr Coucher: That is probably more a question for Government. We would like to have seen a much greater—

Q225 Chairman: No, Mr Coucher, forgive me; you are going to have to operate under this White Paper. We are asking you, as you have been one of the most important functionaries, what your view as an organisation is of the contents of the White Paper.

Mr Coucher: There is some ‘joined up-ness’ in the various facets of government in terms of spatial planning, long-term planning, regional planning and development. We need to do a lot more. We need to contemplate much greater modal shift. We would like to get more and more people out of cars and out planes on to trains. We need to plan for that.

Q226 Chairman: Is there enough in the White Paper to achieve that?

Mr Coucher: At this point in time, there is not enough in the White Paper but it is a strategy which lays out the basis for further development on that about how we will get more freight on to the railways, how we will have the possibility of wider replication and the possibility of new lines. The first bit was necessarily the first five years of a long-term strategy, but it is right that we now look to the future beyond that.

Q227 Chairman: Do you not think strategy ought to inform not only the mutualisation systems in the franchise agreements but all the relationships with planning agreements as well and not the other way round?
Mr Coucher: The mutualisation strategy starts in the widest context. They look at long-term regional planning; they look at the railway needs going forward. We have to recognise that rail is not the only solution to transport needs and there needs to be a balance between heavy rail, light rail, bus and other aspects of it. For the first time, we are starting to see 10-year mutualisation strategies. I would agree with your contention that it needs to be longer term if we are going to have a more sustainable railway in the future.

Q228 Mrs Ellman: The White Paper promises 1300 new carriages for the entire network, about 300 of those outside London. Is that going to reduce overcrowding by, say, 2015?

Mr Coucher: Yes. It is designed to address the overcrowding in some locations. Is it enough? We certainly believe it is enough in the first five years. Will we need to do more in the longer term? Yes. Do we have flexibility to bring additional trains if there is demand there? That is also the case, yes; we could do that. Certainly 1300 new carriages will address capacity in the short term.

Q229 Mrs Ellman: Is that based on the predictions of increased rail travel?

Mr Coucher: Yes.

Q230 Mrs Ellman: What infrastructure investments would be needed to accommodate trains of up to 16 carriages?

Mr Coucher: At the moment, the railway is largely constrained by delivering 12-carriage trains. If we were to go to 16 carriages throughout, that would need quite a significant amount of investment. We have never costed that.

Q231 Mrs Ellman: Are there any advantages of double-decked trains instead of extra long ones?

Mr Coucher: We have looked from time to time at the use of double-decked trains. Obviously the most overcrowded places are where they would be needed the most. Unfortunately, coming into London, to the north we are bound by the North Downs and to the south by the South Downs; to the west where it is flatter you could use double-decker trains there but it is difficult to expand the tunnels to the north and south that we use to get out of London to accommodate double-decker trains. There are one or two other issues with double-decker trains relating to the speed with which you can get on and off trains. They have to stand at stations for a lot longer than those with single carriage decks. Our preferred method of getting more people on to trains is to use longer trains rather than double-deckers.

Q232 Mrs Ellman: Do you see any role for the double deckers?

Mr Coucher: We continue to look at that as an option but we have not found a route that would justify the investment in double decks, given the tunnels that we have.

Q233 Mrs Ellman: You say that you are leading the design of a high speed diesel train. Can you tell us more about that?

Mr Coucher: Currently, we have a train that runs around the network called the New Measurement Train. At high speeds, it examines the track, the layout, and the condition of it. We have been working with Hitachi to put in a hybrid diesel train there, which means that we can use something called regenerative power, so that when the train brakes, the energy is stored into batteries which can then be used for acceleration later on. It is the first one of its kind to do 125 m.p.h.

Q234 Mrs Ellman: What investments will Network Rail need to make to accommodate the InterCity Express trains?

Mr Coucher: I am not sure of the exact detail on this. Mr Plummer: We are planning some work and we will be working with the Department that in terms of platform lengthening and improved gauge as well as power supply to enable that.

Q235 Mrs Ellman: Have you any assessments of how much that would be?

Mr Plummer: Yes. I believe it is of the order of £250 million.

Q236 Mrs Ellman: What would that produce?

Mr Plummer: As I say, it would deliver the capacity and the infrastructure and the gauge of the infrastructure to enable those trains to operate. We need to work very closely with the precise design of the new trains so that we can optimise the whole system.

Q237 Chairman: Who are you talking to? Are you only talking to Hitachi?

Mr Plummer: No, we are talking with the Department and with all the bidders in the process.

Mr Coucher: Could I correct something? The development of the hybrid diesel train is something we are doing separately with Hitachi; it is not related to the IEP programme. The DfT is running a tendering programme which has two or three bidders. That will be for development of the IEP programme. We are working with the DfT to look at the impact on the overall network and the changes that we would have to make to accommodate it.

Q238 Mrs Ellman: Do you support the Eddington review on high speed rail in the UK?

Mr Coucher: When we look at the demands for future rail travel, we believe that the south end of things like the West Coast, Midland Main Line and East Coast will become saturated and that at some point you will need to build a new line between London and those areas. Does it need to be high speed? Possibly it does, but you certainly need to build a new line to those locations, otherwise it is going to be overcrowded. We are doing something that will be looking at in the next three or four years is the possible route for that. If we are going to build a route, the incremental costs between a standard 125 m.p.h. line and something that does 180 m.p.h. is not
that great and so we should look at whether we do this using a high-speed train and connect it to the Channel Tunnel.

**Q239 Mrs Ellman:** What would the timescale be for that?

**Mr Coucher:** At this point in time, we believe we can accommodate growth on those lines for the next five to seven years, but we need to start planning now for the possibility of building new lines to those areas in the next few years so that we have a clear view about where it should go and what it would look like to overcome the inevitable planning hurdles that we would have to go through.

**Q240 Mrs Ellman:** When should that work start?

**Mr Coucher:** We should start planning for it as soon as we possibly can. That will determine when you need to build it, but we certainly need to plan where it goes, what it should look like, what cities it goes to, whether it should connect to airports and answer all those questions so that when the need is there to build it, we can get on and do it straightaway.

**Q241 Mrs Ellman:** Would you say then that the White Paper is lacking in ambition?

**Mr Coucher:** I would say that the White Paper has identified this as an issue which they put towards the back end of this control period. We will be doing the work a lot earlier.

**Q242 Mr Martlew:** To follow on from that, it appears that really you are saying it is not in the White Paper but you are going to do it anyway because it is necessary. Is that the case?

**Mr Coucher:** I think it is incumbent on the delivery side of the rail industry that it should have a clear view about where it would go, what markets it should serve and the package that passengers want. We should make sure it is designed to meet the needs and the package that passengers want. We should make sure it is designed to meet the needs of passengers and freight users. We should have a clear view about what that should look like for the back end of this control period. We will be doing the work a lot earlier.

**Q243 Mr Martlew:** You have been very diplomatic about the White Paper. What you are really saying is that it should be in it and it is not. I would not disagree with that. Perhaps we should try to persuade Government more. You actually think there will be a need to build another line from London to the north?

**Mr Coucher:** Yes.

**Q244 Mr Martlew:** Can I turn to the issue of rolling stock? Occasionally it is rumoured that Network Rail are not very happy with the present set-up with the ROSCOs and that you would like to be involved in the ownership of rolling stock. Is that the case or not?

**Mr Coucher:** What we have said, to be precise, is that we need to be involved in the design of rolling stock. The rolling stock has to go on to the infrastructure and we must make sure that we have designed the trains to meet the design of the infrastructure. If you get it wrong, it can be very expensive. We would like to be involved in the specification particularly of the bogeys and the shape and configuration. We have no desire to own trains. We have no desire to compete with the ROSCOs. We have no desire to run trains.

**Q245 Mr Martlew:** I am not sure of the timing, and it could have been Railtrack, but this did this happen when Virgin bought the Pendolino?

**Mr Coucher:** Yes, there were issues when the rolling stock was bought by Virgin and the degree to which it fitted on to the railway, and similarly there were problems when they bought the train set-up on the South-East network when there was a presumption about the capability of the infrastructure, but that is all behind us now. We have changed our processes.

**Q246 Graham Stringer:** Compared with 10 or 12 years ago, the public subsidy to the rail system is more than ten times as much. Fares are going up and there is roughly £8 billion of fare payers’ money and public subsidy going into the rail system, and yet the performance overall, apart from passenger numbers, in terms of punctuality and reliability is less than pre-Hatfield. Why?

**Mr Coucher:** I think on a like-for-like basis, given the number of trains that we run, bearing in mind in particular the time you are talking about, they were running round about 16,000 to 18,000 trains a day; we are now running 22,000 trains a day. We are delivering 90% punctuality across the patch. Performance is better than it has ever been in the history of the railways. We are carrying more people. We are investing in expanding the railway. The vast majority of the subsidy that we get goes straight into the ground to provide rail services for a growing and expanding rail network.

**Q247 Graham Stringer:** I accept that there are more passengers. I accept that there are record numbers of passengers and that is very much to be welcomed, but there are many lines overall where reliability and punctuality are not at pre-2000 levels. Is that not right?

**Mr Coucher:** On a like-for-like basis, bearing in mind—

**Q248 Graham Stringer:** Define what a like-for-like basis is, because obviously you are running more trains with more passengers and so there are differences. When you look at the number of trains that do not turn up or the punctuality of the trains means that the trains have been late by more than two minutes, the percentage is worse than it was then, not the absolute numbers but percentages.

**Mr Coucher:** Today we are running at 90% punctuality and we are running 22,000 trains. It does mean that if you have more trains, any single incident will affect more trains. For a very short period pre-Hatfield, it is true that punctuality did reach 91%, but in the weeks and months before that, it was considerably lower and it declined very
sharply from that high point. I think you need to look at it over a longer period than the short period—

Q249 Graham Stringer: It did decline very sharply. My point is that with all this extra money going in, why have we not become better than immediately pre-Hatfield in terms of reliability and punctuality?

Mr Coucher: For the last five years we have been steadily improving punctuality. It takes time to correct it. We are on a trajectory which will move us, as you have seen from the White Paper, to a position of 92.6% punctuality by the year 2014. That will be the highest ever seen in the history of the British railway network. At this point in time, it is slightly lower but we intend to beat it very quickly and carry on moving on to the highest level.

Q250 Graham Stringer: I am trying to understand. I accept the West Coast Main Line has been improved and there are station improvements, but you would have thought with all that extra cash year after year that you would be getting better punctuality and reliability than we were when the railways had really been neglected in the pre-privatisation period and just after. I just cannot put my finger on where all the money has gone and whether or not we have had value for money.

Mr Coucher: All the money has been going into catching up on the backlog of the investment which should have been done by British Rail and was not, that should have been done by Railtrack and was not. People were living on borrowed time. The reason that punctuality started to drop off very rapidly is because the railways were badly maintained and became very unreliable. For the last five or six years, we have been re-investing in the network to improve punctuality. It has steadily improved. It has gone from 78.6% when we took over in 2002 to the record levels it is now and it has continued to grow year after year. We are starting to see real benefits coming through. It takes time to get the money in the ground but we have had a steady and successful programme of investment for the last five years.

Q251 Graham Stringer: You could caricature the White Paper as saying: Lots of people use the rail system in London, quite a lot of people use the rail system in Leeds and Manchester and other urban centres, so we will just follow that path and we will not try to change things. Do you not think that the White Paper should be more visionary and try to change the shape of the country, respond to new communities and protect old railway lines that it might be useful to bring back into use? That is not part of the White Paper at all, is it?

Mr Coucher: The White Paper is looking forward 30 years. You have to remember that there are many parts of the railway out there today which could very easily accommodate significant growth in rail passengers. They are not constrained by capacity; we could get more people on to more trains very easily with that investment. It is about getting the trains there. It does not preclude that at all. What we are looking at in the White Paper and in the strategy is what do you do in areas around cities, around London, the longer distance commuters, and how do you address those needs. It does not preclude encouraging people at a local level to get on existing train services.

Q252 Graham Stringer: This is a very specific northern question. Do you believe that the Woodhead Tunnel should be protected?

Mr Coucher: The Woodhead tunnel does not belong to us.

Q253 Graham Stringer: I know that. Should it be protected by planning as a future railway?

Mr Plummer: We are certainly keen that anything that is done is made reversible but at the moment, certainly since we do not own it, we do not think it would be appropriate for us to pay for the movement of the cables into the new tunnel. As long as it is made so that we can reverse it at a later date, then from our point of view that is appropriate.

Q254 Graham Stringer: Have you been in dialogue with the electricity company that is re-cabling the 1950s tunnel?

Mr Plummer: Directly and indirectly through Government, yes.

Q255 Graham Stringer: Can I change the focus of what I was saying to safety? Five or six years ago, this committee rarely had a meeting without talking about SPADs. It was our obsession really for a period. Is safety improving on the railways and what is the current number of signals passed at danger?

Mr Coucher: It is contingent on improving the safety record. We are now the safest railway in Europe, we believe. It is the safest form of transport in the UK. Until we had the derailment at Lambrigg, there was the longest period of time between derailments that was ever seen. We continue to invest in mitigations to reduce safety incidents. The SPAD record is very good, having invested very heavily in what we call train protection warning systems. That means that when trains go through red lights, they are brought to a stop without risk to the passengers. Whilst the overall number of SPADs is slightly down year on year to round about 360, the percentage which has the potential to put passengers at risk is really very tiny. We will get perhaps one or two of those per period, a very tiny number, and each one of those is rigorously investigated to make sure that we learn the lessons.

Sir Ian McAllister: The SPAD risk has reduced substantially as a result of the train protection and warning system to a point where it is roughly 9% of the risk that it was just a few years ago when you were discussing it here. The major safety risk on the railways now is level crossing misuse. SPADs are not what they were but the board reviews at every board meeting every significant SPAD.

Q256 Graham Stringer: So the numbers are roughly the same or down a little but the risk involved with them is much less?
Sir Ian McAllister: Yes. The majority of SPADs now occurring are shunting movements, low speed movements, and not the SPADs that perhaps you would have recognised earlier.

Q257 Clive Efford: Is there a case for electrification in England and Wales before 2015?
Mr Coucher: I believe so. We very much support a wider programme of electrification. We would like to start by doing what we call infills, connecting bits of railway which are not currently electrified, to provide additional capacity and diversionary routes. We genuinely believe we should be doing more electrification and that that is the right thing to do for the passengers and for the rail industry. What we have to try to avoid is a situation where everybody wakes up in five years’ time saying, “Oh, we should do electrification” and then give us three years to do it. We would like a much steadier rolling programme of electrification on a route mapped for it. We would like a much steadier rolling programme “and then give us three years to do it. We would like a much steadier rolling programme of electrification on a route mapped for electrification by 2015 or 2016. I think this is an area of railway which are not currently electrified, to provide additional capacity and diversionary routes. We genuinely believe we should be doing more electrification and that that is the right thing to do for the passengers and for the rail industry. What we have to try to avoid is a situation where everybody wakes up in five years’ time saying, “Oh, we should do electrification” and then give us three years to do it. We would like a much steadier rolling programme of electrification on a route mapped for electrification by 2015 or 2016. I think this is an area that we would like to work to and push forward more quickly.

Q258 Chairman: Is that one way of saying: yes, there is a case?
Mr Coucher: Yes.

Q259 Clive Efford: I was not clear about the previous answer. What cannot you do that you would like to do and why can you not do it?
Mr Coucher: At this point in time, the high level output statement means that we can achieve those outputs without a wider electrification programme. We would like to discuss with Government about whether we should do that more quickly but of course that will require additional funds to be invested in it. We think there is a longer term business case for everybody for a wider electrification programme.

Q260 Clive Efford: Do you think the length of time that these types of investments should be amortized should be lengthened?
Mr Plummer: As long as through the regulatory process we are encouraged to take forward those investments and we can set forward the case, then we can fund it through that regulatory process. I do not think the period of amortization is the issue.

Q261 Chairman: We know, Mr Plummer, that most railway schemes are 30 years and you have been told 15. Do you not think that is a matter of interest?
Mr Plummer: I think that is a very different issue. In terms of the amortization of this sort of scheme, if we can make the case in terms of whole life benefits to the industry, then I think we can take that forward. The reference I think to 15 years is to investments we make in the likes of car parks and so on where we actually have the flexibility to make those investments now on that period of time without going back to Government and asking for specific consent. If we need a longer period, we can then go back through the Regulator and say that we would like to make that investment.

Q262 Clive Efford: Is it not true to say that the electrified services carry less risk than self-propelled services because they can draw on power from many different types of power generation?
Mr Coucher: Do they carry less risk? The danger that we see ourselves in is that if there are only diesel-powered trains, we lock ourselves into a specific form of fuel. If there is an electrified network, then of course we can take advantage of developments and other alternative sources of generation, not just fossil fuel power stations but any nuclear or wind power programme, whatever it might be. We can take advantage of that. If we have only diesel trains, then we are stuck with fossil-fuelled engines for years.

Q263 Clive Efford: Last year you were fined £2.4 million for the delays in the Portsmouth re-signalling project. What lessons did you learn over that Christmas period?
Mr Coucher: We undertook a thorough investigation. We made various commitments to make improvements. All the lessons that we learnt have been rolled into every single programme that we undertook. Referring to the earlier hearing you had about the overruns at Rugby, we have been back and ensured that the lessons that were learnt at Portsmouth have been put into those programmes, and I can confirm they were. The quantified risk assessments and the probability of completion were all done in line with best practice at Rugby and all the lessons learnt there were put into practice, as they have been elsewhere. No doubt there will be new lessons learnt and we will roll those into our programmes elsewhere.

Q264 Clive Efford: Were the problems at Portsmouth similar in any way to the ones that you encountered at Liverpool Street and Rugby?
Mr Coucher: No, they were different.

Q265 Clive Efford: They do not point to any symptomatic, serious, deep-seated problem within Network Rail?
Mr Coucher: I do not believe so.

Q266 Clive Efford: Is it not true to say that the Office of the Rail Regulator making you pay a financial penalty is without consequence to you because the taxpayer just foots the bill at the end of the day?
Mr Coucher: No, we have a regulatory target which gives us a huge amount of outputs and objectives we have to achieve and a certain amount of funds to deliver all of those outputs. Any fines that we incur—and we do our very best to avoid any kind of fines—have to be delivered inside that overall funding settlement we have, so that there are consequences for us.

Q267 Chairman: It is a valid point, is it not, Mr Coucher? Supposing you did not deliver it within target, as you say, where would the money come from? Would we take a collection in Network Rail?
Mr Plummer: In relation to the current situation we are in now, financially we have performed better than the Regulator assumed in the last review.

Q268 Chairman: Mr Plummer, I am not asking you for an update. I am asking you on a point of policy. What worries people, rightly or wrongly, is that if the ORR have put a penalty on you and you have to pay it and for any reason you cannot pay it, where is the money coming from? Is it coming from the taxpayer and, if so, is there any kind of discipline on you?

Mr Coucher: I would say that the disciplines which on us have generated hundreds of millions of pounds of additional efficiencies that we use to reinvest back into the railways.

Q269 Chairman: Yes, we know that you try very hard, that you look for efficiency and that you are changing the way you operate. None of that is in dispute. We think you are wonderful. I am just asking: what is the incentive for you to stick with the ORR’s penalties? They do not come round with a big stick and beat you, do they?

Mr Coucher: No, but the big carrot which applies to out-performance and that has driven hugely our performance. We have delivered hundreds of million pounds of additional funds which have gone back into the railways. It is that precise incentive to out-perform but there is a consequence that any penalties we get have to be offset from that out-performance. We have delivered a much better railway for less money than had previously been indicated. We think that is a good news story for the railway for less money than had previously been performance. We have delivered a much better

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Q270 Clive Efford: I want to ask Sir Ian just the how the ORR making you pay financial penalties incentivises you?

Sir Ian McAllister: In terms of personal consequences, the impact of any financial penalty gets into our financial efficiency index. We have a bonus structure for the executive team, which is based on alignment of the objectives of the company with those of passengers. The executive team is bonused on the performance of the company with respect to punctuality and delayed minutes. It is also in terms of asset condition and in terms of financial efficiency. There is also an overriding situation whereby any breach of the licence has to be taken into account by the remuneration committee. Therefore, the impact, for example, of the overruns at Rugby will automatically be taken into account by the remuneration committee. As a non-executive, I am not involved in that bonus structure.

Q271 Clive Efford: The White Paper emphasises the need to move towards a 24/7 railway. Given the problems that we have had, is that realistic?

Mr Coucher: Yes, it is realistic. Yes, we have to redesign our processes. We have to find ways of doing work without making significant closures but that means design and investment in technology, different ways of doing things, alternative routings. Electrification is a good example of that. We have diversionary routes with electrified trains. It is an aspiration which is recognised in the White Paper. It is something we passionately believe we should do, but of course it is what the passengers and freight users want, so we have to find a way of changing what we do to give passengers and freight users a railway that can be used when they want to use it rather than when the industry wants to give it to you.

Q272 Mr Martlew: On that point, a seven day a week railway is fine but basically we have a five and a half day railway at the present time. Would we not be better in the medium term to aim for a six and a half day week with Sunday mornings being different? If you are going to do it seven days a week, it is going to be very expensive. You are going to get overruns and angry passengers. Is it not a more sensible option to be going for six and a half days for the next five or seven years?

Mr Coucher: We truly run a seven day a week railway. On a normal day we run 22,000 trains; in a Saturday we run about 18,000 trains; on a Sunday we run about 14,000 trains. We do run it seven days a week already. What we need to do is make sure for those areas where we have taken closures to do work that we find through routes or alternative ways of doing things. If I can return to Rugby as a very good example of this, one thing that we have done now in the re-engineering of Rugby means that we can now do work on the south side of the station whilst we have trains going up and down on the north side of the station. That was never possible before. That is one of the things we have done. It does give us the flexibility to both work and run trains. That is the future.

Q273 Mr Hollobone: Going back to electrification briefly, 39% of the network is currently electrified and the Government has ruled out full electrification, largely on the grounds of cost. Would you agree that there is an important inconsistency in the Government’s argument because electrification has to pay for itself over a 15-year amortization period whereas normal rail investment is amortized over a 30-year period?

Mr Plummer: I do not think the 15 years is relevant at all, as far as I am aware, to the investment case for electrification. We will make that case on the basis of analysis of the cost benefits and the environmental benefits and put that forward in the discussion we are having with Government.

Graham Stringer: The 150 railway stations that are to be refurbished for the conveniently similar sum of £150 million, how were those stations arrived at and at what level of refurbishment is to going to be? In a number of our written statements there is concern that this process is not transparent.

Q274 Chairman: Mr Plummer, did you exclude my railway station deliberately—not that it would influence me in any way!
Mr Plummer: Certainly not. There are two main criteria: one is the footfall at the station, and so we are trying to hit the stations where there are a lot of passengers using them; secondly, where the perception of the station is not what we would want it to be and it could be significantly improved. In terms of the process, it is a very open process between Network Rail and the train operators in the first stage, but then we will be widening that out much further. As you will see, we have put out an initial list of where we think the focus would be, but that is very much an initial list. One of the reasons is that we are keen to get other sources of funding on the back of the £150 million so that we can make this money go much further. If there are opportunities from anywhere where we can use our money with other people’s money as well to get much more funding, then we will change the priorities in that scheme.

Q275 Graham Stringer: Are the congestion problems at Reading and Birmingham so much worse than at Leeds and Manchester so that those two areas have been chosen to have refurbishments and have the congestion improved or reduced?

Mr Coucher: Both Leeds and Manchester Piccadilly have had very significant investments in the last five or six years or perhaps a bit longer, and so they are now fit for the travelling public. Manchester Victoria is one which we are going radically to overhaul.

Q276 Graham Stringer: I am really talking about congestion. I should not have said refurbishment.

Mr Coucher: Birmingham New Street is certainly the most overcrowded station we have on the network. The solution there is aimed at relieving passenger congestion. There has been a 40% increase in footfall at the station in the last three years since they have opened the Bull Ring. At Reading Station the congestion is not about passenger congestion at the station itself but congestion of train service through that station. The whole of the re-engineering at Reading station is to provide significant increases in train movements both stopping at Reading and going through as well. It is a different form of congestion relief.

Q277 Graham Stringer: Is that significantly worse than platforms 13 and 14 at Manchester Piccadilly?

Mr Coucher: Yes, but of course we are doing work at platforms 13 and 14 to improve them for passengers.

Q278 Chairman: Mr Coucher, you are going to walk away from £1.5 billion in 2009/2010 to £2.4 billion in 2013/2014. That is a very hefty increase. How do you justify it? Most people would think that was a fairly hefty increase.

Mr Coucher: Is this enhancement expenditure we are talking about?

Q279 Chairman: I am just talking about the amount that your grant is going to go up. Is public funding for the railways switching from operations to infrastructure and, if so, what is that going to do to the railways? Mr Plummer, have you noticed that you are getting this small increase?

Q280 Chairman: Mr Coucher, we are always correct in our numbers.

Mr Coucher: Of course you are. I would not doubt that. I was trying to work out which—

Q281 Chairman: Your knighthood is receding!

Mr Coucher: This reflects the way in which enhancements are funded, whether indeed they are grant-funded or cash-funded or we borrow those moneys, so the significant increase there has been affected by the amount of enhancements we do and the method of payment by Government. There is also a change in the deferral of a previous grant that should have come through.

Q282 Chairman: The change in the deferral—that sounds like a nice piece of English. How do you change a deferral, Mr Plummer?

Mr Plummer: Following the last review, we agreed with Government and the Regulator that we could defer part of our income. We have now seen that income go up. That is part of the reason for the increase. The other reason, as Iain has said, is the very considerable increase in enhancements.

Q283 Chairman: In Control Period 4 you are committed to enhancements of £9.6 billion. That excludes Crossrail. Some of those costings are at a very early stage of development. Do you think you can deliver what is specified in the HLOS?

Mr Coucher: Certainly this is a challenge with which we have to get to grips.

Q284 Chairman: I know the challenge, Mr Coucher. Can you meet it?

Mr Coucher: We are planning to meet it, yes.

Q285 Chairman: And you will tell us more than five hours before something goes wrong?

Mr Coucher: I am sure I will be seeing you before the completion of the £9 billion expenditure.

Q286 Chairman: I expect that may be so and if nowhere else then certainly on Crewe Station. Are the ORR’s assumptions about Network Rail’s revenue and efficiency gains in that period realistic? Are you going to be even more efficient? Are you going to be able to stick with the commitments that you have made on the revenue that you are going to have?

Mr Coucher: As you are aware and as we have said previously, we have taken very significant amounts of cost out of the cost of running, some 31% at the end of this control period. We have given our estimates for the additional efficiency that we can drive up in the next control period. At this point in time the Regulator is reviewing his considerations and other submissions about what we can
realistically achieve. We think at this point in time that the Regulator believes we can achieve more than we do and that will be an area that we need to explore with them in the coming weeks and months.

Chairman: Gentlemen, you have been very tolerant. I am sorry to have detained you for quite so long. There has to be some joy in holding your present positions! Thank you very much.

Witnesses: Mr Chris Bolt, Chairman, and Mr Bill Emery, Chief Executive, Office of Rail Regulation (ORR), gave evidence.

Q287 Chairman: Good afternoon to you, gentlemen. I apologise for keeping you waiting. You will understand the reason. Did either of you have anything you wanted to say?

Mr Bolt: Briefly, if I may. Clearly the committee is concerned, as we were, about the events over the New Year. The impact on passengers and freight users was unacceptable. That is why we launched early in the New Year an investigation, which is going beyond the issues which led to the immediate problems to saying: What are the underlying issues around Network Rail’s projects, management and project planning, and more broadly the deliverability of the West Coast upgrade by December 2008? Those are issues we are now investigating. We will publish our conclusions by the end of February. If we conclude that there are matters of licence breach, we will consider what sort of action to take then. The key issue, which I think has come out of the evidence so far, is that we get to the bottom of the issue whether Network Rail has the right framework to change the way it manages these projects to minimise the chances of this happening again. Those issues are clearly relevant to the longer term position as set out in the White Paper. We very much welcome the clarity which the White Paper has given for the high level outputs that Government is looking for in the next five years and the public funds available. That provides a very clear basis for the decisions we will be taking later this year on Network Rail’s outputs and funding. There are clearly, however, issues for the longer term, which the Network Rail witnesses were addressing, where we believe there are still some questions about the appropriate investment for the longer term to meet the challenges of the potential doubling in rail passengers over the next 30 years. We are certainly keen that the sort of work which Network Rail was describing is carried forward. We will want to make sure that happens.

Q288 Chairman: If I understand you correctly, you are saying a preliminary report in February. Is that what you say?

Mr Bolt: We want to understand the root causes of the events over Christmas and the New Year. That clearly covers both Rugby and Liverpool Street, which the committee has been asking questions about in detail, but also at Shields Junction where there were rather different issues, we think, which go to some of the more technical aspects of signalling, potentially closer to the problems which were experienced at Portsmouth. As Mr Coucher was saying, learning lessons is very important. We want to make sure that we have identified with Network Rail and operators what those lessons are and that if there are changes to be made in the way Network Rail operates and plans for these sorts of projects that it is required to make those changes, as I say to minimise the chance of this sort of thing happening again.

Q289 Chairman: Because you have mentioned Portsmouth and the fine that Network Rail received last week, I think we would be interested to know whether you have made any preliminary judgment as to whether the problems lie with Network Rail or with the contractors.

Mr Bolt: There were clearly issues in the Portsmouth scheme about the relationship between Network Rail and its contractors.

Chairman: I am sorry about this division.

The Committee suspended from 5.02pm until 5.14pm for a division in the House.

Q290 Graham Stringer: Why did you rule against Virgin Trains on 19 December?

Mr Bolt: The question that we were asked was whether Network Rail had breached its licence by asking at short notice for the extra day’s possession and whether we should therefore issue a provisional order under the terms of the Railways Act to stop them doing that. We looked at the implications of saying to Network Rail that they could not have that extra day and, as I think Network Rail witnesses made clear, without that extra day, given their assessment of the risks to the project at Rugby, not agreeing to that extra day would have prejudiced the delivery of the December 2008 timetable because they would have had to significantly de-scope or even cancel the works. Against the basis of the duties in the Railways Act we felt that the long-term interests of passengers were best-served by allowing that possession to be taken, the work to be undertaken, rather than putting at risk the upgraded timetable.

Q291 Graham Stringer: So Virgin were asking a technical question really?

Mr Bolt: Yes. On the powers that we have as set out in the Railways Act and the licence under which Network Rail operates, the question was effectively whether the request of Network Rail to take an extra day’s possession at short notice constituted a licence breach.

Q292 Graham Stringer: Did you believe that Virgin would have been happy if you had said, “No, we will not give them the extra day and the work will not go
Mr Bolt: I do not think that was relevant to our decision. The delivery of the December 2008 timetable was set at the last charges review as one of the regulatory outputs for Network Rail. That was the basis upon which we were reaching the judgment on the balance of our statutory duties under the Railways Act.

Q293 Graham Stringer: It sort of was relevant, was it not, because you just said given the nature of the work they were doing one day’s extra costs in terms of lost trains was worth the benefit of the improvements in December 2008, so you were looking at it somewhat in the round, were you not?
Mr Bolt: Looking at it in terms of the interests of railway users generally, not just Virgin, clearly other passenger operators and freight operators on the route.

Q294 Graham Stringer: In that sense, did you consider that it might have been better to keep the trains going until they could have only closed the line down for the original specified time?
Mr Bolt: Clearly the delivery of the regulatory output, which in this case was the upgraded timetable, is something we look at as part of our monitoring of Network Rail. There is a reporter, appointed by Network Rail but reporting to us, specifically looking at this project and that reporter, which also feeds into the project development group and project board chaired by DoT, has been drawing attention to the tightness of the overall programme for delivering the upgraded timetable. That was the environment within which we had to take a view about whether, despite the late notice, Network Rail should be put in a position where delivery of the December timetable change was going to be even tighter or maybe impossible.

Q295 Graham Stringer: The previous Rail Regulator believes that you were wrong to seek to remove remedies available to train operators where Network Rail had supplied them with incomplete, inaccurate or misleading information. Do you think those comments are fair? He has written articles to that effect.
Mr Bolt: Clearly there have been developments in the detail of how Network Rail is held to account over the past few years reflecting changes in circumstances. We believe that the changes that have been made, for example the development of joint performance improvement plans between Network Rail and train operators on individual parts of the network enforceable under the licence, actually increase that accountability.

Q296 Graham Stringer: So you did seek to remove those remedies and you do not regret it?
Mr Bolt: It was a change which followed a broad agreement among train operators, not unanimity but broad agreement, that the framework of joint performance improvement plans would be more effective. It was obviously considered by the Board as part of our strategic approach to holding Network Rail to account and we believe that was a sensible change.

Q297 Graham Stringer: Is it sensible to take the sticks out of the system?
Mr Bolt: It is not a matter of taking sticks out of the system, it was saying there was one stick and it appeared not to be working in practice as originally envisaged and replacing it with what we and many of the operators believed was a more effective stick.

Q298 Graham Stringer: You have also taken the local accountability provisions out, have you not, you have managed to do that?
Mr Bolt: That is part of the changes I was referring to.

Q299 Graham Stringer: One change you got through and the other you did not, is that not the case?
Mr Bolt: The local output commitments are no longer part of the contractual framework. They are replaced by joint performance improvement plans.

Q300 Graham Stringer: I see what you mean. So you do not think you are going weaker on Network Rail?
Mr Bolt: Not at all, no.
Graham Stringer: Thank you.

Q301 Mrs Ellman: Do you think it would be helpful for the train operating companies to play a greater role in specifying and implementing infrastructure enhancements on the lines that they operate?
Mr Bolt: One of the points that we have made in response to the White Paper is that it would be helpful, as we see it, for train operators and Network Rail and, as Network Rail themselves are saying, rolling stock manufacturers, to work more closely together in identifying how best to meet growing demand on the network. That is certainly an approach which has been supported in discussions we have had with franchise owners and Network Rail jointly. This is one of the changes that we would like Network Rail to facilitate. Not lead, because Network Rail is not leading the railway in that sense, but facilitate different parts of the industry working together to come up with solutions which give the best outcome for passengers and give the best balance of technical solution so that at the next high level output specification the industry can be saying to Government, “This is what we think can be delivered, is that what you are prepared to pay for?” rather than the other way round.

Q302 Mrs Ellman: Are you going to suggest how that could be done?
Mr Bolt: We have encouraged Network Rail and franchise operators to think about how it can be done and we have recently had a suggestion from Network Rail which is now with franchise owners and us and we will be responding to it.
23 January 2008 Mr Chris Bolt and Mr Bill Emery

Q303 Mrs Ellman: Do you think you should be more proactive in trying to make things work better?
Mr Bolt: I think on this one we have taken the initiative. A number of the franchise owners expressed concern that they did not have sufficient power under the current regime and we, as I say, took the initiative to bring them together and have a joint session with Network Rail, Sir Ian McAllister, Iain Coucher and others to explore how that could be achieved.

Q304 Mrs Ellman: What are your views on recurrent problems on Overhead Line Equipment staffing?
Mr Bolt: Clearly I take responsibility for the overall strategy but I leave the detailed question on the implementation of that for Bill.
Mr Emery: Clearly there have been quite a number of problems with the overhead lines on the East Coast Main Line. They were drawn to our attention by GNER and they were not getting a satisfactory response from Network Rail. We discussed with them what we should do, whether we should be debating directly with Network Rail, and GNER said, “not at the moment”. We are concerned, of course—

Q305 Chairman: They came to you and said, “We can’t cope with it, it is a problem but don’t talk to Network Rail about it”. That sounds very efficient.
Mr Emery: They said that they wanted Network Rail to be well aware that they were in discussion with the regulator about it.

Q306 Chairman: That sounds like decisive action, yes.
Mr Emery: We then made sure that Network Rail were aware of these concerns. The joint performance improvement plans approach between GNER and Network Rail were then developed a little bit. We have kept that under very close scrutiny with GNER, and now National Express, and neither of those two companies have said that they want us to intervene and carry out an investigation. However, the performance improvement and the punctuality on that route is particularly bad and, in a sense, it is an area where we recognise there is a need for Network Rail to—

Q307 Chairman: Now I am confused. Mr Emery. Are you saying that they said to you, “We’re going to tell them we’re talking to you, but we don’t want you to talk to them”, and then you discovered that actually things were not going out the way they should but you have not actually talked to GNER?
Mr Emery: We were aware of these issues of—

Q308 Chairman: And you have now concluded that something should be done, is that what you are telling us?
Mr Emery: At the moment we have not triggered an investigation into the East Coast Main Line. Because National Express and the route director of East Coast Main Line are saying they are putting together a credible plan we are prepared to let that lie for the moment.

Q309 Chairman: Well, it is nice to think they have got a cunning plan, but there is a little difficulty here, is there not? What would be your normal response? If you think there is a problem would you expect to go directly to Network Rail and explain to them in Anglo-Saxon terms what needs doing?
Mr Emery: We have done that, and we have done that several times. In fact, in terms of the issues around Scotland and Great Western we have embarked on and pushed for clear plans from Network Rail, clear joint improvement plans from the companies, and there have been some improvements in Scotland.

Q310 Chairman: What is so different about GNER, just that the companies do not want you to talk about it?
Mr Emery: On GNER we are saying, and it is part and parcel of our approach that we want to promote partnership between the train operating companies and Network Rail as a way of delivering improvements, that we will enter the fray in this if, in fact, they say that route will not deliver the improvements. That is an approach that seems to work.

Q311 Mr Martlew: This question may have been asked while I was outside the room. What was the role that you played during the problems over Christmas?
Mr Bolt: In terms of the operational issues that have been described at great length earlier this afternoon, none, and nor should we. We hold Network Rail to account for delivering the overall outputs and in the next five years there will be the high level outputs specified by ministers and setting the framework within which that is done. We are not here to second-guess management and micromanage their activities. As soon as it was clear that there was a significant failing in Network Rail to deliver proper services to passengers which raised questions about the underlying management of the capital programme as a whole, and specifically the West Coast programme, that was when we said we would have an investigation into those issues to see whether the lessons which, for example, had come out of the Portsmouth investigation last year had not been as well reflected in Network Rail’s actions as we believed or whether there were new issues and that was calling into question other aspects of their management of capital projects.

Q312 Mr Martlew: Thank you for that. Both Virgin, when they came last time, and Network Rail today said they came to you to get an extension to the work period. Did you have to give permission in the first instance?
Mr Bolt: No.

Q313 Mr Martlew: Did you give permission for an extra day?
Mr Bolt: What we said was that we would not take enforcement action by issuing a provisional order to prevent Network Rail taking that extra day at short notice.
Q314 Mr Martlew: Virgin came to you to stop it, did they not?

Mr Bolt: They asked us to stop it as being a licence breach and we decided that was not appropriate given our overall statutory duties. We were not in any sense approving the plan or saying that an extra day was enough. It was clearly Network Rail's responsibility to deliver the works in the time available. As I say, we now need to say are there some more fundamental issues around the way Network Rail plans that sort of project. We will never get involved, nor should we, in the detailed planning and approval of individual packages of work.

Q315 Mr Martlew: But you gave them the extra day?

Mr Bolt: We said that there was not a clear case for that being a licence breach which required the issue of a provisional order under the terms of the Railways Act.

Q316 Chairman: Mr Bolt, I do not want to go over this again. You have assured us that we will get copies of the report as soon as it is ready and you are addressing this.

Mr Bolt: Indeed.

Q317 Chairman: You do understand we are going to be sending you a series of detailed questions to which we will require answers. You have been patient this afternoon. The supply industry is very concerned about the feast and famine they are getting in the railway at the present time. How can you solve some of these difficulties?

Mr Bolt: One of the issues that we are clearly looking at as part of the framework for the next five years is the deliverability of the programme. Obviously Network Rail's responsibility is to make sure that it has the right sort of access to resources from the supply industry and those are issues that clearly feed into our consideration for the next five years.

Q318 Chairman: Are you going to look at the availability of overhead line engineers because that seems to be quite a point, does it not?

Mr Bolt: I do not think we will look specifically into that market for the reasons I set out earlier. What we will certainly want to be reassured about is that Network Rail has the right procedures in place to satisfy itself that it has got resources to complete projects before it starts them.

Q319 Chairman: You know, you are very good, and I do not say this in a critical sense, at adhering to a consensual form of regulation, but do you think that is actually working?

Mr Bolt: I think generally it is. It is not consensual in the sense of being soft. What we need to do is to get Network Rail, who are responsible and have the skills and expertise on asset management, managing the rail infrastructure network to identify problems. We then say do the solutions that they identify look credible for solving them and if they are not we will require them to do more and if they are we will make sure they deliver them.

Q320 Chairman: Do you not think you could be more effective by clamping down on them rather more toughly and rather more immediately?

Mr Bolt: I think the urgent investigation which on 2 January we said we were launching was responding very quickly to the problems of the New Year. The fact that we said we will publish our conclusions on that investigation before the end of February is doing it quickly.

Chairman: I think, Mr Bolt, we may have to have you back. Mr Efford wants to send you away with something else ringing in your ears.

Q321 Clive Efford: Mr Emery, I think I heard right in an earlier answer that you were referring to overhead line engineering work in relation to the East Coast Main Line. Is that correct?

Mr Emery: I was referring to the East Coast Main Line. Rather than Rugby, I was referring to the lines that repeatedly come down and create problems on the East Coast Main Line.

Q322 Clive Efford: Rather than go into it in detail now, because we have overrun considerably, when you send us your note could you provide us with a commentary on whether issues relating to the availability of engineers should have been in Network Rail’s mind when they set that timetable over that Christmas and New Year period. They placed a great deal of emphasis on the lack of availability of those engineers as a reason for the breakdown and you seem to be suggesting those lessons should have been learned before they agreed a timescale.

Mr Emery: In the report on this matter we will look at the arguments of Network Rail. Network Rail already said earlier on this afternoon that they are building a resource to do maintenance of overhead lines and maintenance of overhead lines was what the problem was on the East Coast.

Q323 Chairman: We will get your report and then we are going to ask you to come back at the end of February, is that all right?

Mr Bolt: We would be delighted.

Chairman: We are grateful to you for allowing us to delay you. We have had an overrun, you know, which could not have been perceived at the opening of the session! Ladies and gentlemen, I am very grateful to you all.
Wednesday 20 February 2008

Members present:

Mrs Gwyneth Dunwoody, in the Chair

Clive Efford
Mrs Louise Ellman
Mr Philip Hollobone
Mr John Leech

Mr Eric Martlew
Mr Lee Scott
Graham Stringer

Witnesses: Mr Anson Jack, Deputy Chief Executive, and Mr Stephen McKay, Safety Policy Adviser, Rail Safety and Standards Board; and Mr Peter Rayner, Consultant and Expert on Railway Operations and Safety, gave evidence.

Chairman: Good afternoon, gentlemen. You are most warmly welcome to our Committee session. We have one little bit of housekeeping before we start: Members having an interest to declare.

Mr Martlew: Member of GMB and Unite.

Graham Stringer: Member of Unite.

Clive Efford: Member of Unite.

Chairman: Gwyneth Dunwoody, Aslef.

Mrs Ellman: Member of Unite.

Q324 Chairman: Gentlemen, for the purposes of the record, I should be grateful if you would identify yourself.

Mr Rayner: My name is Peter Rayner.

Mr Jack: I am Anson Jack, Deputy Chief Executive of Rail Safety and Standards Board and Director responsible for policy, research and risk.


Q325 Chairman: Does any one of you want to make a brief opening statement, or may we go straight to questions?

Mr Jack: I would just like to explain that the Rail Safety and Standards Board is an industry body, owned by the industry, and we work with the industry to help them to deliver continuous improvement in safety, performance and overall business performance.

Q326 Chairman: Thank you, Mr Jack. We will probably want to probe some of the aspects of that. Is the White Paper a long-term vision to develop infrastructure fit for the middle of the 21st century?

Mr Rayner: No, in my opinion.

Q327 Chairman: In what sense, Mr Rayner?

Mr Rayner: It is short-term and it does not look very seriously at electrification in particular. It grudgingly accepts that there is a case for electrification and then it says the case is not made. I think that is perhaps the most short-term thing about it because, unless one looks forward to electrification, there is no way in which the emissions and all the other problems that we face can be tackled; so I believe it is short-term in that. I believe it also talks of cab signalling and muddles it slightly with another form of signalling, and therefore takes itself into the realms of something which is only an experiment. There is no real set of ideas that looks at strategic routing or many of the other things and, unless we address them, the railway will stagnate.

Q328 Chairman: What do you think governs that? Do you think that the dead hand of the Treasury is uppermost in this paper?

Mr Rayner: Yes. In my view, the reason electrification is not tackled is because electrification does mean spending money now and achieving those results long outside the five years that one might well have expected; so, yes, I do believe that that is the reason why. I think also that electrification needs driving centrally, because different partners within the railway have no real desire to do it. Train operating companies, Network Rail, had no real desire to do it; so the thing stagnated and then, of course, at Christmas time it was discovered that the skills, for overhead line maintenance, were missing. I therefore believe that the only strategic way forward for the railway is to restart the electrification and put money towards rebuilding the expertise, and perhaps doing smaller schemes like the Fylde coast from Blackpool, to build up the expertise so that you can then do big main lines.

Q329 Chairman: Is there not sufficient encouragement for a proactive modal shift, do you think, to the railways? Is that nowhere in the paper?

Mr Rayner: I do not think that this is a paper about helping the railway at all. This is a paper about keeping the status quo and moving forward on things that do not cost a lot. I believe that, unless one bites the bullet of electrification and that is done—one has to come back to that and that has to be the
way forward—the railway will stagnate. The only item of vision in the railway today is the scheme for Reading, which is going to go ahead. Yet this paper makes three references to New Street, and I have to come back to that. It is immoral to me that the Department for Transport’s money can be used, £200 million of it, for something which is merely about selling pizzas—perhaps that is the cynical view—but a circulating area. They are going to create in New Street a large Rolls-Royce of a thing and leave, below, the two-stroke engine that it is now. You cannot improve the throughput of New Street station by the Gateway scheme that they are proposing. The signalling does not support it.

Chairman: Mr Rayner, you have started lots of important hares running there and we have questions for you.

Q330 Graham Stringer: This is precisely that point. I am not familiar with all the details of the New Street improvements, but I understand that there was to be extra platform capacity, extra throughput, and that would improve the whole of the network. Are you saying that there is not any extra capacity, any extra throughput, going to come from the New Street scheme? That it is just shops?

Mr Rayner: Nothing at all. That is not the case. Even the secretary of state said that it would make life easier for the passengers as they pass through. It is about a circulating area above and it is about developing property above New Street. It will not improve the throughput of trains. If you visualise New Street, it is two stations back to back with signals in the middle: two buffer-stop stations without buffer stops. You can come in from either direction at 10 m.p.h. and approach two red signals, and there is nothing between that red signal and the other one. There is nothing you can do to improve that. If you wish to improve the speed at which you come into the station, you cannot have the two signals back to back. If you wish to lengthen the trains more than six or seven coaches, you will in fact occupy two platforms—you will turn their two platforms into one platform. The Gateway scheme does not even purport to improve the throughput at New Street. There are very marginal improvements they might make with the odd coach here or there, but that is not about railways: it is about property.

Q331 Graham Stringer: Are you saying that there is not an inch of extra platform or an inch of extra rail created?

Mr Rayner: Very little. You might get another platform in the middle road, but you cannot get much more in. The footings of the Bull Ring are in your way for a start. You are constrained. New Street ought to be the Farringdon of Thameslink; the place where you go into the middle. I am sure that it is a good shopping centre. That is not ever going to be a terminal for a city the size of Birmingham. New Street is a suburban station in the middle of Birmingham and is not ever going to be the terminal. You will never have the Berlin Hauptbahnhof, if you look for it in Birmingham New Street. You need such a station if you are to have a high-speed line; if you are to have a system. It is a great sadness to me, what is being done at New Street. They are not even claiming that it does anything for the railway.

Q332 Mr Martlew: Just on this and on the points that you have made, Mr Rayner. It is very interesting when you say that they were wasting £200 million at New Street—and that is arguable, but I will take it that you are right. Just put forward the process. Have you costed how much your proposals would be for the electrification and the other issues you mention? How much more Treasury money would we need?

Mr Rayner: I think that the £200 million that is going towards New Street—it is a £400 million job but money is coming from other parts—the Department for Transport’s £200 million would start the electrification process. If you electrified the Great Western Main Line, I could not tell you how much it would cost because some of that cost will be in the Crossrail system.

Q333 Mr Martlew: Is it not a worry that we have all sorts of experts on the railways who have great ideas but they never know where the money is going to come from?

Mr Rayner: That is a possibility. The money comes from the Treasury.

Q334 Mr Martlew: How much more would you want from the Treasury?

Mr Rayner: All the money does. What I am saying to you is that with the scheme for, for example, the electrification of the Great Western Main Line—which is one that will have to come, I am fully sure—I could not put a price on that, you could not put a price on that, and very few people could, because we do not yet know how much will be paid for by the Crossrail, which will take you halfway to Reading. What I am saying is that, if you spend money on improving the cosmetics of New Street, which will not do a thing for the railway, that £200 million could be better spent.

Q335 Mr Martlew: We are talking about probably billions of pounds and you are talking about making a £200 million saving. Where does the rest come from?

Mr Rayner: I do not know the precise amount that the electrification would cost but, if we do not roll forward electrification like the rest of Europe is, then you will in fact end up with a stagnated railway.

Q336 Mrs Ellman: Is the White Paper, together with the High Level Output Statement, sufficiently joined up with other government policies in areas like spatial planning, environment and energy use?

Mr Jack: I think that the White Paper is a good start and to the extent that it needs to be. Because the High Level Output Statements cover a five-year period, I think they are joined up with other government policies. If we are looking 20, 30 years into the future, there are issues about how things will develop.
Q337 Mrs Ellman: So is it joined up or is it not?  
Mr Jack: I think that it is sufficiently joined up at this stage, when one is looking five years out.

Q338 Mrs Ellman: Does everyone agree with that?  
Does no one disagree? (No response) What about the structure of the rail industry? Would you say that it is satisfactory, or should there be further changes?  
Mr Rayner: There is generally always a debate about the structure of the railways. It could be quite fun to have a debate for the next few years and to look at restructuring the railways; but, as far as colleagues in the railway businesses are concerned, the main task is to get on with delivering against the targets that are set, against improved levels of service, safety and reliability.

Q339 Chairman: You were actually asked about the structure, not the workings.  
Mr Jack: Yes, but, with respect, Madam Chairman, the point that I am trying to make is that if the industry were invited to spend the next few years arguing about its structure and considering restructuring, then that is what managers would be focused on and not on delivering performance, safety and reliability for the passengers and the freight customers.

Q340 Mrs Ellman: Mr Rayner, would you say the current structure is fit to deliver those objectives?  
Mr Rayner: I do not believe that the current structure is right. I agree with Mr Jack that too much tinkering may not be a good thing, but the problem is that the structure is wrong because there is still a contractor culture. There was talk of bringing contracting inside. Unless you have the right number of staff, unless you train those staff, unless you supervise those staff, unless you audit the working, bringing it in-house will not make any difference. I believe that there is too much emphasis on civil engineering and, indeed, that the railway is being run by a civil engineering culture; whereas the railway should be run by an amalgamation of disciplines. It is rather like a large boat. If you navigate that large boat, you need a master mariner on the bridge and you need an engineer in the engine room. Network Rail is turning the railway into being civil engineering-led, and it is not about civil engineering: it is about running railways. That is how they got in a muddle at Christmas time, because they did not address it as a running railway; they addressed it as a building site and the building site overran. I would not make substantial changes but I would remove the emphasis from too much engineering to the general skill of operating a railway.

Q341 Mrs Ellman: You have made some comments, Mr Rayner, about the adequacy or otherwise of the Office of Rail Regulation. You have said that it has been weakened. What do you mean by that?  
Mr Rayner: I was criticising, in essence, the 2005 Act which reduced the powers of the Office of the Rail Regulator, did away with the Strategic Rail Authority and brought all the power to the Department for Transport. I believe that that is wrong. I believe that the Office of Rail Regulation has not been able to do what its predecessor did. It has not had the teeth. I believe that the Act of 2005, I think it was, has to some extent neutered the Office of the Rail Regulator. It did away with the Strategic Rail Authority, and so it all exists in the Department. That, I believe, is unsafe—unsuitable.

Q342 Mrs Ellman: Would you say that the Office of Rail Regulation has been proactive enough, particularly looking at what happened over the Christmas/New Year period?  
Mr Rayner: It is extremely difficult to be continually complaining. If I were sat there as the Office of the Rail Regulator I might well have not moved, as he did not move. I think that they were slow to move. It is ever so easy to criticise after the event. They do not have the power that Tom Windsor had when he was the Rail Regulator and they have been much less strong.

Q343 Mrs Ellman: Is there sufficient enforcement on Network Rail to deliver its obligations?  
Mr Rayner: I would think that it is there if it is used. I do not think that it is used enough. I believe that the Office of the Rail Regulator could have been stronger earlier; but it is extremely easy to criticise when there has been a nonsense. It all went wrong at Christmas time and many people within the industry knew it would go wrong, sadly.

Q344 Chairman: Why did not the people in charge know that it would go wrong? If it was general knowledge amongst the industry that this was all going to go pear-shaped over Christmas and the New Year, it did not require a great brain to work out that this might not actually do the railway a lot of good. Was it not known to the ORR? To be fair, was it not known to the Managing Director and certainly the Chairman of Network Rail? Why did it come as such a surprise to them?  
Mr Rayner: I do not know, Chairman, why that was not spoken about. There were fears within the industry that they had bitten—

Q345 Chairman: What part of the industry, Mr Rayner? Are we talking about some of these engineers? Are we talking about unions? Who are we talking about?  
Mr Rayner: We are talking about middle managers, who were responsible for organising the engineering work that was to take place over Christmas. I think that they bit off more than they could chew and did not pull back in time. I think the reality of it is that they planned to do too much. If I had still been running the West Coast, I would not have shut both sides of Rugby at the same time. In fact, when they got out of trouble, they got out of trouble by going back to the time-honoured system of doing the left-hand side of the station and then the right-hand side of the station. What we would have done—we would have had to shut it for some period of time—would have been to set our stall out to shut it. It has been a different culture. It is the civil engineering-led
culture that turns it into a building site and says, “We will erect plastic fences; we will put on hard hats, and we will deal with it like that.” We—perhaps wrongly, and we made a mess of it from time to time—continued to run the railway and maintain it at the same time. We did not always get it right, but our main objective was to move trains. I do not think I would have—well, I am sure I would not have—authorised a complete block at Rugby over that period of time.

Chairman: Okay, we have got the message.

Q346 Mrs Ellman: Is the system of fining Network Rail likely to be effective, when really it is just more money from the taxpayer?

Mr Rayner: As far as I am concerned you are fining the taxpayer and shuffling money from one pocket to another; so I do not see that that is in any way anything to do with it.

Mr Jack: I was going to comment, and coming back to your earlier point about enforcement, that I think there really is a difficulty if one is looking for more enforcement action; that is, if the regulator is always enforcing then the regulated is inclined to sit back and say, “You tell me what to do”. I think that both the industry and the public want to see Network Rail take responsibility and use that responsibility, and for the regulator to have a balanced approach to enforcement is the best way to encourage that.

Q347 Mrs Ellman: What is the role of the regulator then, if they should not act and they should not actually regulate?

Mr Jack: It is generally there to oversee and there is the potential threat; but if the threat is always used, then it effectively becomes the manager.

Q348 Mrs Ellman: Would you say that threat has been used too much?

Mr Jack: I do not have a particular comment on that. As Mr Rayner pointed out, using it a lot would have—

Q349 Chairman: Come on, Mr Jack, do not be so shy! You must have a view. You may not want to comment on it but you must have a view. Let us into the secret. What do you think?

Mr Jack: The view I have is that the regulator should not intervene.

Q350 Chairman: You were not asked that. We got that point. Then you were asked, “Are they doing it too much?”

Mr Jack: I do not believe so.

Q351 Chairman: You do not believe so?

Mr Jack: No.

Q352 Chairman: So you believe they should not interfere but you do not believe they are? Am I with you?

Mr Jack: Yes, that is right. I believe that it would not be appropriate for them to intervene more.
Mr Jack: I think that it is a help, because it gives the Government periodic opportunities to specify what it wants for the travelling public and to procure it.

Q363 Mr Leech: I would be interested to hear what Mr Jack and Mr Rayner have to say on this, but do you think that longer franchises would have a beneficial effect in terms of investment from train operating companies?

Mr Jack: If one is looking to get franchisees to invest, then longer franchises would be a benefit. There are other means by which the Government can secure investment without going for longer franchises.

Q364 Chairman: Mr Rayner, did you want to come in on that?

Mr Rayner: As far as I am concerned, I am not a great believer in the franchising method. I cannot see it being altered, but I will say this. For example, the franchises put out for the West Midlands 18 months ago: if they are going to be specified by the Department for Transport, who by and large have put misleading ones out in the case of the West Midlands—I happen to have been as aware of what was going on at the airport as I was what was going on with the railway with some other work I was doing—the two things are not compatible. In the context of the franchising system being a flawed system and totally in the hands of the Department to specify and to control the number of trains, I think that it is a bad system. If it was got right, however, there would obviously be advantages in a longer-term thing, because someone would invest, hopefully wisely, in something that was almost its own. It is like a long-term lease.

Chairman: I am now going to ask much shorter questions—and shorter answers.

Q365 Mr Hollobone: The RSSB facilitates a set of System Interface Committees to bring all the multiple players in the industry together. Is that not a sign that the industry has in fact become too fragmented and too complex?

Mr Jack: You could look at it that way, but if you have an industry that has more than one player—and, in the case of this industry, British Rail turned into about 100 players—then, if you do not provide a facility for them to come together, there is likely to be more disparate action. We therefore see this as a success of the industry: that it is enabled to come together; it can work on solutions jointly; and propose efficient and safe means of going forward.

Q366 Mr Hollobone: Would it be a good idea for train operating companies to play a greater role in specifying and implementing infrastructure improvements on the lines which they operate?

Mr Rayner: If they could specify and be part of going forward, yes. Given that the flawed system we have has to exist, it would be better for the train operating company to have a say, for example, in the scheme that is coming at Reading, which a lot of money has been put into; or indeed Virgin should have had a better chance to say what they wanted about what is going on at New Street. Clearly, the more people you can involve—if you have to have a silly, fragmented system in which people are relying on contracts rather than on vertical chains of command—the more liaison there is, the better; but it does not make the system right.

Q367 Mr Hollobone: Are the railways safer than they were before privatisation?

Mr Rayner: The railway is always safer than road or air or other things. There are degrees of safety. I would argue that the fragmentation makes safety more difficult to manage, which is why we have organisations like that represented by Mr Jack and we have the ORR. We have to have positions in place in order to keep the fragmentation safe. If I tell you that with the Tebay accident, which was a tragedy, there were 12 different organisations up there on Shap that night, all relying on contracts, one with another, to keep the railway safe. If you fragment the system into contractors, subcontractors and sub-subcontractors, you are going to have to have contracts in place in order to keep it safe. That is not going to be the safest way to run anything, but that is what we have got.

Q368 Mr Hollobone: How does the safety of the railways in the UK compare to the safety of railways in other European countries?

Mr Jack: In the years since privatisation the safety of the railways has been better than it has ever been, under British Rail and under pre-British Rail days.

In the last three years there has unfortunately been one person killed in a train accident. There was never a period under British Rail when there were no fatality accidents for two years. On virtually every measure that one can think of the railway system is safer now than it has ever been. In comparison with European railways and worldwide railways, the British system is alongside the best.

Q369 Mr Hollobone: The White Paper specifies a target of a 3% cut in safety risk for passengers and rail workers by 2014. Are these safety targets achievable?

Mr Jack: The Rail Safety and Standards Board has just issued a three-year strategic safety plan on behalf of the industry. Within that plan, we have had a look forward to the five-year period of the High Level Output Specification and those 3% targets and, of the work that we have done alongside the industry, we are confident that those targets can be met.

Q370 Mr Hollobone: Mr Rayner?

Mr Rayner: I am sure that what Mr Jack is proposing he believes in. I do not know the measures he is putting. I think that to have a target like the one in the White Paper is meaningless, to be honest. That may make me a Luddite. If he has a plan to achieve it, then I hope he does achieve it. I do not think it is a target that is worth having. You work towards safety as best you can. There is no such thing as absolute safety. The only safe railway is a railway that does not move any trains. The only safe road is a...
road that does not move any cars. You have to have systems in place and you have to have professional people.

Chairman: They were aiming, through your system, of not having any trains over Christmas, Mr Rayner!

Q371 Clive Efford: Mr Rayner, are the Department for Transport’s rail growth forecasts accurate?

Mr Rayner: No, I do not think they are accurate. They fly in the face of the National Audit Office. The points at which the railway becomes completely overcrowded and cannot contain it are different. The Department for Transport talks happily about the West Midlands and going into 2020 before they reach saturation point. The National Audit Office—or whatever the other thing is that I quote in my paper—says 2010. By the time they have finished in many of those places and what they are doing at New Street, they will be full up again. They conflict with other government statistics.

Q372 Clive Efford: Do you think the figures are inflated in any way?

Mr Rayner: I think that the number claimed of people carried—the claim in the paper that never have more people travelled by rail—is indeed an inflation. The way in which the numbers are counted is different from the way previously. It is quite simple why. If you travel from Hastings to somewhere in Scotland, you will be counted four times because you go on four different organisations. A ticket on BR from Hastings to somewhere in Scotland would count as one. If you buy a ticket for London with another London station in it, that counts as two. There is therefore a degree of double-counting. Although it is a time when we have a lot of people using the railway, to state “more passengers than ever” does ignore the double and sometimes triple-counting. That is therefore a problem that someone has to address.

Q373 Clive Efford: Can I ask you, Mr Jack, is it sensible that civil servants as opposed to industry people on the ground should specify the Intercity Express Project?

Mr Jack: I think, almost going back to the discussion we were having earlier about how one secures long-term investment, if one has relatively short-term franchises then someone has to do it or it would not happen. Yes, civil servants are specifying the Intercity Express Project. I am not directly involved in it myself but I have seen that they are very closely involving professionals in both the rolling stock and the infrastructure side of the rail industry; so I think that they have the best expertise available to them.

Q374 Clive Efford: Are you saying that you feel that the civil servants are basing their decisions on evidence from the right people?

Mr Jack: I believe that they are basing their specification on inputs from the right experts. I am not competent to judge the quality of the output.

Q375 Clive Efford: What other forms of rolling stock, apart from the Intercity 125s, are approaching their life expiry date?

Mr Jack: I am not an expert on the age of rolling stock. I know the stuff I travel on to work is probably 20 years old.

Q376 Clive Efford: Mr Rayner, do you have anything to say on that?

Mr Rayner: I think the 142s and the 150s—

Q377 Chairman: The 142s and the 150s?

Mr Rayner: They look like a little donkey going along. DMUs.

Q378 Clive Efford: Where are they used?

Mr Rayner: They are diesel multiple units. They are certainly nearly life-expired. The problem is—and I am sure that there will be other experts on rolling stock later—that it is sometimes cheaper for train operating companies to hire these older ones than it is some of the new. There are still units around which are not crashworthy, whereas there are other, crashworthy units not in stock. The whole question of how stock is hired and how rolling stock companies get rid of their assets or hire their assets out I think is worthy of examination, but I am not an expert in that or have not gone into it.

Q379 Chairman: Mr Jack, has anybody ever asked you your view? After all, that is one of your functions, safety, is it not? Has anybody ever asked?

Mr Jack: Our view about the age of rolling stock?

Q380 Chairman: Yes. Mr Jack: I do not think they have directly but, whenever we are looking at things like new designs for rolling stock, we do in our analysis—

Q381 Chairman: Yes, but that would be somebody giving you an existing project and saying, “Please look at it”.

Mr Jack: Yes. When we look at the overall risk of the industry, we take account of the fact that older rolling stock has generally been built to a slightly lower standard.

Q382 Mr Scott: To what extent was Eddington’s assessment of the suitability of high-speed rail to United Kingdom circumstances correct?

Mr Rayner: We have only the one high-speed line, which is the line from the Channel Tunnel link into St Pancras. There are plans for other high-speed lines. I have seen papers from different organisations. Something called Greengauge 21 has a plan for a high-speed line through the middle of England, which gets involved in the West Midlands. The problem, and again one of my criticisms of this document, is that, for a strategic document on the next 30 years, you would expect it to at least talk about high-speed lines and talk about alternative routes. There are alternative routes. There is an alternative route, for example, from Worcester right through the West Midlands and out through Burton, Derby. You could have an alternative route
right through. The fact that they are going to build a tramway on it is ridiculous, but they are going to do so. However, if you did that, it would open up opportunities for a high-speed line. The French, when they built the high-speed line, did it to relieve the line to Dijon. There are a number of schemes. They are not debated in this paper.

Q383 Mr Scott: The Government has said that journey times are less important to passengers than reliability and flexibility of services. Does it follow? Would the London to Paris route have been as successful in your opinion if it was not a fast line?

Mr Rayner: No, it would not have been successful. In a way, partly what they are saying is true. You need to go as fast as is sensibly possible and you need high-speed lines; but, having gone there, you should not push it to the nth degree. People would be much happier with a high-speed line that you could rely on. One of the worst things is to have something you cannot rely on; so I can understand that emotion. Certainly we have to move forward with high-speed lines. We will be left even further behind. In France they are now going to generation four—

Q384 Mr Scott: I am sorry to interrupt you, Mr Rayner, but it is because of time. Would it be fair to say that you would agree that high-speed lines across the country would actually encourage more and more people to use rail—whether it be quoted for one, two or three journeys, however many times they want to count people—but high-speed lines would make a difference?

Mr Rayner: High-speed lines would make all the difference and has to be faced.

Q385 Graham Stringer: We talk about an improving safety record for passengers. Is this mirrored by an improving safety record for workers on the railway?

Mr Jack: Yes, it is.

Q386 Graham Stringer: By the same amount? How many deaths have there been over the same three-year period?

Mr Jack: I could leave this document with you, if the Committee would like. It is a recent publication that we have issued of safety performance in 2007. For the third consecutive year there were no workforce fatalities on trains. Two members of the workforce were killed by being struck by trains, which is the same as the previous year. I am going to generalise now—I do not have the numbers at my fingertips—but in the last days of British Rail the rate of fatality of workforce was in between five and ten people a year.

Q387 Graham Stringer: There has clearly been an improvement in safety then for both passengers and for workers. What has been the cost of this?

Mr Jack: The way that railway companies go about improving safety is through progressive investment in modern techniques and technology, which is generally driven by operating the business more efficiently; and therefore there is generally not a cost associated with it.

Q388 Graham Stringer: Some of the improvements are in the Train Protection and Warning systems, are they not? Some is improvement in signalling itself. Is it not possible to put a figure on that?

Mr Jack: The Train Protection and Warning System did cost several hundred million pounds and that has led to a significant improvement in the reduction in risks of signals passed at danger.

Q389 Graham Stringer: When we had Network Rail here a few weeks ago and we asked them about signals passed at danger, they said that it was now no longer a problem; that the numbers had reduced and those SPADs that were recorded actually were not dangerous ones: they were technically where the train had gone past the signal. Is that your assessment? That, while we were all obsessed with SPADs eight or nine years ago, it is now not a problem?

Mr Jack: We run a model that monitors the risk from SPADs and it was baseline in 2001 at 100. The current risk from the SPADs is running at 12% of that. There is therefore still a small level of risk associated with SPADs. The Train Protection and Warning System is not a full, automatic train protection system. The installation of TPWS has substantially reduced the risk, but there is a small level of risk that remains.

Q390 Graham Stringer: Are there any recommendations you are making that have not been implemented? What is the next big step forward that will help hit that 3% target?

Mr Jack: What will help the 3% target is the delivery of a significant number of the investments that are already committed as part of Network Rail and train operators’ investment plans. There are no big step changes that we anticipate. The largest level of risk remaining on the railways arises at level crossings. So far as level crossings are concerned, the industry has a significant number of initiatives, many in conjunction with highway authorities, to improve the performance at level crossings. Of course, one of the challenges there is that almost all of the risk arises from the behaviour of people that are not directly under the control of the railways, i.e. the road user.

Q391 Graham Stringer: I do not know if I asked the question clearly. Are there any recommendations you have made that have not been implemented?

Mr Jack: We generally do not make recommendations any more. Until two years ago, we conducted accident investigations. We no longer do that. The recommendations arising from accidents therefore come from a government body, the Rail Accident Investigation Branch. Where we make recommendations, they are entirely voluntary to our colleagues in the industry and they get considered by relevant industry expert committees. We are satisfied with them picking them up, duly considering them, and making appropriate decisions.
Q392 Graham Stringer: Have some of those appropriate decisions been to reject what you have recommended?

Mr Jack: Oh, yes.

Q393 Graham Stringer: Can you tell us what they are? The bigger ones, obviously; the more important ones.

Mr Jack: There are no big ones that—

Q394 Graham Stringer: Tell us some little ones then.

Mr Jack: If we recommend that the industry considers a particular adjustment to a standard and the relevant experts in the industry get together and say, “We don’t think that would bring about an improvement...”—but there are no issues of that nature where we are saying, “We think you should do this to improve safety” and anyone turns round and says, “No”. There are just no examples of that.

Q395 Mr Leech: I just want to bring you very briefly back to high-speed rail. The West Coast Main Line is likely to be full by 2014. A new high-speed line to the North West is predicted by Network Rail to increase capacity on the existing West Coast Main Line by about 50%. Would you agree with that?

Mr Rayner: I would agree that, if you bring a high-speed line in, you would increase capacity considerably and by about that amount. The strength of bringing it in is that it would free up the present West Coast Main Line for the freight route that is going to be needed. If you have had Lord Berkeley and others here in front of you, you will know that—

Q396 Chairman: Mr Rayner, we are doing something else on freight. I am not letting you tempt us down that path.

Mr Rayner: I apologise, Madam Chairman.

Chairman: You have all been very helpful. I am sorry to have detained you longer than we should have done, but it has been very useful. Thank you very much indeed.

Witnesses: Mr Gerry Doherty, General Secretary, Transport Salaried Staffs’ Association; Mr Bob Crow, General Secretary, and Mr Alex Gordon, Executive Committee Member, the National Union of Rail, Maritime and Transport Workers (RMT), gave evidence.

Q397 Chairman: Good afternoon, gentlemen. Would you be kind enough to tell us who you are?

Mr Gordon: My name is Alex Gordon and I am a member of the National Executive Committee of the National Union of Rail, Maritime and Transport Workers.

Mr Crow: Bob Crow, General Secretary of the RMT.

Mr Gordon: Gerry Doherty, General Secretary, Transport Salaried Staffs’ Association.

Q398 Chairman: Did any of you have anything you wanted to say briefly, or may we go to questions?

Mr Crow: A brief statement, please, Chair?

Q399 Chairman: Yes. If it is not brief, Mr Crow, you will hear.

Mr Crow: We would like to highlight four areas of concern. First, the 30-year rail strategy has not addressed the waste and inefficiency caused by fragmentation and privatisation. The Government has ignored the recommendation by the Transport Committee in April 2004 that there should be a new public sector railway agency, given all the powers required to manage the entire railway system. We believe Britain’s railways should be brought back into public ownership. Secondly, passengers are paying the cost of privatisation. The Government’s £1 billion cut in funding over the next five years will see passengers paying through the nose with increased fares, while train operators continue to make massive profits. Even higher rail fares and the refusal to develop high-speed rail north of the capital will not help the fight against climate change. Thirdly, the Government plans to introduce 1,300 carriages and new high-speed trains should be a golden opportunity to protect what is left of British train manufacturing, and should be built in Britain. Finally, there is no industry-wide forum to address issues such as skills, training and staff assaults. We also need such a forum to discuss the report of the Railways Pension Commission, which met yesterday. Network Rail’s unilateral decision to launch an inferior pension scheme is an attempt to sabotage those discussions.

Q400 Chairman: We will come to various aspects of that and so, if you do not mind, is it all right if we go to questions?

Mr Doherty: Yes, certainly, Madam Chair.

Q401 Chairman: Is the White Paper a long-term vision for the infrastructure for the middle of the 21st century?

Mr Doherty: In a one-word answer, no, it is not. We were extremely disappointed, along with Bob, that the White Paper has failed to address what we see as the underlying problems, namely ownership of the railways and fragmentation. It is not the first time I have said that before this Committee. Even more than that, however, what was really disappointing about the White Paper was the paucity of comment on the possibilities of the economic benefits of high-speed lines; particularly high-speed lines from the capital to the outlying regions, at a time when our European counterparts recognise the benefits of investment in high-speed lines. In fact, it is very appropriate that we should be sitting before you in the month when a new high-speed line in Spain opens. It is publicly built at a cost of £15 billion; it can run between the two main cities in Spain at a speed of 220 m.p.h. Compare that one, 400-mile
journey with the 80 miles that we have in this country, and which is all that we will have up until at least 2015 and long after that, given the lead-in times it takes to build high-speed lines. This was therefore a golden opportunity that has been missed, yet again, by the Government.

Q402 Mrs Ellman: Do you want to see the whole of the rail industry re-nationalised?

Mr Doherty: The “nationalisation” word is a word that people run away from. We saw what happened in the Northern Rock debate in the House this week. Our view is that there are different ways. If you are talking about going back to the days of the British Railways Board, when the railways were starved of investment by governments of all colours for over 40 years, no, we do not want to go back to that. What we do see at the moment, however, is public money being put into the railways, not to improve services, not to reduce cost, but merely to provide profits for shareholders. It is the same groups of companies that are bidding every time franchises come up. It is like “musical chairs” on the railways these days.

Q403 Mrs Ellman: What are the major changes that would bring actual improvements for passengers that you would like to see?

Mr Doherty: First of all, if you are talking about purely for passengers, you have to deal with the fragmentation issue. I heard Mr Rayner saying earlier that it was four different organisations involved in getting someone from Hastings to Scotland. The passenger does not really care how many organisations there are. What they want is a smooth journey. If those organisations are not working together and it affects the quality of service, as we say that it does—and that is right from the outset, getting information as to when trains run, getting the proper prices, because it is a minefield trying to get the right price, particularly the lowest price—those days—if that is affecting the quality that the passenger experiences, then that is the first thing you have to address. We say that the fragmentation, along with ownership, needs to be addressed before you actually start to address the needs of the passengers.

Q404 Mrs Ellman: Does the present regulation system work? What do you think about the Office of Rail Regulation?

Mr Doherty: We have a system that regulates, or supposedly regulates, on behalf of the passenger. You would really have to ask the passenger whether it does. I am a user of the railways and I do not think that you get the same level of service from the railways. There is nothing more frustrating than sitting in a train that is not moving and someone coming on and blaming another company. It is either a freight train that has broken down in front of you, or Network Rail has not got someone out. The passenger really does not care. What the passenger wants to know is when is the system, the industry, going to get them from A to B: not who is to blame.

Q405 Mrs Ellman: But what is your view about the way the Office of Rail Regulation operates at the moment?

Mr Doherty: I think that it operates as well as it can within the system that it has. What we are saying is that the system itself is broken. They are only a part of the system.

Q406 Mrs Ellman: Do you think that it could be more proactive within the system that we have?

Mr Doherty: It certainly does seem to be more reactive. It would react, for example, to what happened at Rugby over Christmas. It does not seem to take a hands-on view. Perhaps if it had a proactive approach to the major engineering projects that were going on, perhaps some sort of regulatory role to ensure that there were enough resources, for example, designed to ensure that the closures actually did what they said they were going to do.

Q407 Mrs Ellman: Do you think that the system of fining Network Rail is likely to be successful, or do you see it as just more money coming from the taxpayer?

Mr Doherty: I think it is a nonsense. Network Rail are not paying anything. At the end of the day, the taxpayer is funding the whole of the system. I said before, the smokes and mirrors of the financial structures within the industry make it very difficult to see exactly where money is going. I think that there is more clarity about it these days than there ever was; but if you are referring specifically to fines, I do not see the point in it. What is the point? The only way that fines will change anything is if the enormous bonuses that the directors receive in a year-on-year basis are actually starting to be affected. That is the only effect, and it is really marginal.

Q408 Mrs Ellman: Do you think that there is any scope for the train operating companies to be involved in enhancements on the lines that they are operating on?

Mr Doherty: I think that would muddy the waters even further. If there has been any improvement in performance in the railway industry since privatisation, it is since the demise of Railtrack and the establishment of Network Rail. The difference, of course, is that Railtrack were running for profit; Network Rail is run on a not-for-profit basis now. The Government can call it. I have always said that I do not care whether it is the private or the public, as long as public money is being used to invest in the railway and not to make rich people even richer.

Q409 Mrs Ellman: You have spoken about a different system that you want to see; but, within the current system, what would you say is the basic problem with Network Rail? Do you think there is a problem?

Mr Doherty: If you are comparing it to Railtrack then it is a better model. My own personal view is that the governance of Network Rail—this 140-member governance that is supposed to hold it to account—definitely needs strengthening. There does
Mr Doherty: I used to work in the railway system and I remember, for example, working on Christmas Day in the 1970s. It is not that long ago that actually—perhaps not in England, but certainly in Scotland—in those days we ran trains on Christmas Day. Now they seem to shut it down for long periods of time. If Network Rail have an ambition and an aspiration to run a 24/7 train service, then obviously we would welcome that. We have to recognise that the infrastructure is being used to huge capacity at the moment, and creating space for maintenance is a difficulty. I understand that; but I welcome the aspiration of a 24/7 service. In Japan, for example, where they have the high-speed lines, they do not run at night. The maintenance is done at night. It is as simple as that: it closes down.

Q410 Mrs Ellman: The White Paper talks about a 24/7 society and the need for rail to operate all the time. Do you think that is feasible?
Mr Doherty: I do not know whether it can be implemented or not, when you have an increasing use of the infrastructure. Certainly if you create more capacity, by for example building high-speed lines, then you have the opportunity of closing down those high-speed lines at night-time for maintenance. As Peter Rayner said earlier, if you take the West Coast Main Line, if you had a high-speed mainline running between London and parallel to the West Coast Main Line, they at least would be interchangeable whenever there were major projects required.

Q411 Mrs Ellman: So you think that this aspiration is reasonable and could be implemented?
Mr Doherty: I do not know whether it can be implemented or not, when you have an increasing use of the infrastructure. Certainly if you create more capacity, by for example building high-speed lines, then you have the opportunity of closing down those high-speed lines at night-time for maintenance. As Peter Rayner said earlier, if you take the West Coast Main Line, if you had a high-speed mainline running between London and parallel to the West Coast Main Line, they at least would be interchangeable whenever there were major projects required.

Q412 Mrs Ellman: Are you then in favour of high-speed lines?
Mr Doherty: Absolutely.

Q413 Mr Scott: Can I ask Mr Gordon and Mr Crow this question. We have heard from the earlier witnesses that they felt that, since privatisation, safety for both passengers and indeed workers had improved. Do you agree with that?
Mr Crow: No, I do not think it has improved at all. In the run-up to privatisation, we should not forget that one of the major accidents happened under British Rail, which was Clapham; but it was in the run-up to privatisation, where we believe that financial considerations were given over the actual running of the railway network. Of course, you can do what you want with statistics. It may well be that only two people have died in the last two years, one of them being at Reading where a person was struck by a train early in the morning late last year. The point is that we do not believe that the safety systems in place are any better, in the sense of the word. We do not think that there is the involvement of the staff safety reps that should be involved in risk assessments. What we would like to do, of course, is eliminate all risk at all, but because there are less deaths it does not mean that there are less accidents caused by other parts of the railway industry as well. One of the biggest accidents we have is on the basis of tripping and slipping, especially at this time of year.

Q414 Mr Scott: How do we compare with other European countries, in your opinion, with our safety records?
Mr Crow: It all depends what country you want to compare it with.

Q415 Mr Scott: We heard mention of Spain earlier, so let us take Spain.
Mr Crow: Per capita, I think the railway network is probably on a par with Spain; but the reality is that it could be a lot safer. We make it absolutely clear: we want public ownership of the railway network. We are not saying that because someone is a private company in a railway they are unsafe; but it is the systems that are in place. It is the magnitude of different companies. Our whole problem with the railway network being privatised is not so much the privatisation; it is the splintering of all the groups out there. You have got no captain in charge of the entire ship. That is our view: that the railway should be run with a captain in charge of the whole ship. Before, when British Railways was in being, for instance, if a light bulb went missing or went out of place in Inverness station, the chairman of British Rail could ring up and say, “Change the light bulb”. Now we would have to find out which train operating company is responsible.

Q416 Chairman: I do not think that many of them actually did that, did they, Mr Crow?
Mr Crow: I am not saying—

Q417 Chairman: They must have had a rather busy time!
Mr Crow: It might not be about changing a light bulb, but they could have a direct conversation. Now you have got a train operating company; a train operating company that contracts the maintenance out; and a maintenance company that then subcontracts the maintenance out to an agency. Everyone has got a solicitor involved and everyone has got a profit margin involved, rather than just picking the telephone up and saying, “It’s our railway. I’m the controller. Please run it”.
Mr Doherty: Specifically on safety, I have already said before to this Committee it is very difficult to make a comparison between the public-owned railway and the private railway in terms of safety and it does depend on what you count; Bob has indicated that. For me the issue is the perception, and I think there is a perception out there that the private railway operators are cutting corners in order to maximise profits and therefore that must undermine safety. I do not know whether it does or whether it does not, it is very difficult to make that comparison, but it is quite clear that that perception is out there, and that is a worry.
Q418 Mr Scott: There is one specific issue that I would just like to raise. As I said, it was alleged and not denied, so I am assuming it is true, that there have been unskilled workmen working at night who were coming from prisons basically—it was reported and I looked into it myself. Would you agree with me that that, if they are not supervised or trained in the proper manner, can only increase the problems of safety drastically and could only be done possibly for working on the cheap so to speak? 

Mr Crow: Number one, we are not opposed to people coming out of the prison system and working on the railway network.

Q419 Mr Scott: I was talking about the safety.  

Mr Crow: There have been a number of MPs that have come out of prison and worked back in the system over the years as well, so we are not opposed to that.

Q420 Chairman: Not many of them got back in here.  

Mr Crow: Perhaps they should not have been here in the first place, but that is another issue. What we are trying to say is that we are not opposed to any person working on the railway system; it was not the fact that they had come out of prison that we were opposed to them working the railway network, what we were concerned about is that they were coming out of prison on the weekend, working the railway, what training were they given?

Q421 Mr Scott: That is my point.  

Mr Crow: Could they be risking other people, lowering the safety standards or whatever for the people they were working with and, also, who is their safety representative because the rest of the workforce could see their safety rep, all they could see is their prison warden.

Q422 Mr Scott: Basically, would you agree with me that it was a way of doing it on the cheap?  

Mr Crow: Absolutely.  

Mr Scott: Thank you.  

Chairman: Prison officers are quite well organised though so it might be quite a good line of communication. Mr Hollobone.

Q423 Mr Hollobone: The Government’s funding projections for five years from 2009 to 2014 are based on a 34% growth in passenger revenue; do you think that is realistic?  

Mr Gordon: May I come in on that? The vision in the White Paper talks about the growth in funding through the fare box but it is really quite a vulnerable statistic. We have seen—and it has just been discussed by your previous witnesses—the substantial increase that is claimed in passenger numbers travelling on the railway and whether there is double counting or triple counting going on or not it is the case that the system is running at very near capacity at the moment. Any downturn in the economy is bound to have a downturn in the fare box; any downturn in the economy is bound to put in peril some of the underpinning financial projections within this White Paper and we think that it is not based on solid foundations in the sense that it is trying to rely increasingly on income through the fare box which we hope is not going to go on a downward slide, but nevertheless that is not something that can be overlooked.

Q424 Mr Hollobone: What about the TSSA?  

Mr Doherty: Perhaps just to expand on that, if you look back through the last century patronage of the railways was always in line with the economic conditions within the country; whenever there was economic growth patronage of the railway went up, whenever there was a decline patronage went down. For the last ten years we have had economic growth; the economy does appear to be less stable looking into the future than it has been in the past, certainly in terms of growth. It depends on the transfer of finances for the railway, but the intention of the Government to transfer from 50% to 75% does seem to be questionable and does seem to be based on continuing economic growth and we wonder what sort of account they have taken or what sort of risk management they have got in place should there be a downturn because if there was to be a downturn I have no doubt whatsoever that if some of these franchises were to lose out in the fare box and therefore the financial structure they have got in place for bidding for the franchise was to be undermined by that, then they would simply shut up shop and walk away because they are not taking any risk. It is the old adage, is it not, privatisé the profits and nationalise the risk; the Government would be the one left to pick up the tab in those circumstances.

Q425 Mr Hollobone: Given that switch in funding from operations to infrastructure, are you saying that that is not sensible and therefore poses risks for the railway, and what would you like to see instead?  

Mr Crow: In which way?

Q426 Mr Hollobone: The Government’s subsidy to rail operators is effectively going to decline over control period 4 and the travelling public is going to have to bear a bigger share of paying for the costs of the railway. If you disagree with that system, what would you like to see instead?  

Mr Crow: In one way or the other the railways cannot purely run on passenger fares and there has to be some kind of subsidy. If you lower the subsidies of the train operating companies properly you have two options: you either have to expect a higher increase in fares or the workforce has to take a decrease in the amount of pay that is paid to them. The reality is that over the last 10 years the train operating companies alone—never mind the contractors—have extracted massive profits out of the railway industry and they have had something in the region of £20 billion worth of public subsidy. That is on top of what they get in fare increases. To put it in simple terms, if you walked into a fish and chip shop down the road here and ask for cod and chips and said to the waiter at the end “How much do I owe you?” and he said “No, we will pay you to
Q427 Mr Hollobone: You would like to see an increase in public subsidy as well as an increase in fares?

Mr Crow: We would like to see some fairness in it, not just an increase for the sake of having an increase. We would not want an increase that would go straight into the private coffers of the train operating companies; what we would like to see is a real increase in subsidy which would increase the amount of train journeys or a reduction in fares and also sociable train journeys as well. A lot of the train journeys late at night are on the basis that loved ones need to see their friends and family in hospital; they are the antisocial services that the companies want to run down because they do not make a profit out of them, what they want are the peak journeys from the 0645 to the 0945 at night, the rest of the service has become a nuisance to them.

Mr Gordon: If I could just add to that, Mr Hollobone, we completely acknowledge that the pre-privatisation level of subsidy was three times less than the current level of subsidy the taxpayer is paying to the privatised industry. Our criticism is what is happening to that subsidy, and our criticism is that it is leaking out of the industry to the tune of about £6 billion since 1996, £6 billion over the last 11 years, and that has gone into the pockets of shareholders and into private banks, lenders. The premise of railway privatisation, that it was going to bring private capital into the industry, is fundamentally turned on its head when you look at the reality, which is that it is taxpayers’ money haemorrhaging out of the industry year on year on year, whether it is in the pockets of train operating companies or whether it is in the banks that underwrite Network Rail.

Q428 Mr Hollobone: Do you have an estimate at all of what could have been done with that £6 billion in terms of output on the railway?

Mr Gordon: We could all have a wish list but £6 billion is more than the annual subsidy for the entire rail sector so you get a clearer idea of the immense potential that is being wasted at the moment. In addition, we have also pointed out in our written response to the White Paper that there is a tax fiddle that is being turned a blind eye to currently by the Government, a tax fiddle that is going on whereby rail companies are paying a total of £1.3 billion annually in unpaid tax which should have been collected by the Treasury.¹ It seems quite incredible that this is tolerated when we are told that budgets are tight and the public sector has to get rid of needless waste. The whole structure of the rail industry is one that is rife with waste and haemorrhaging of public resources and it really does need to be looked at in a much more root and branch way than this White Paper attempts to do.

Q429 Mr Hollobone: Could you explain to the Committee the basics of how that tax fiddle works? It is a very large sum of money; presumably if that is right then Revenue & Customs would wish to investigate that. How are they doing that?

Mr Gordon: We have certainly made the information that we have available to Her Majesty’s Government and we are urging them in fact to investigate that. We of course can furnish you with the paperwork and furnish the Committee with any information that you require.

Q430 Mr Hollobone: My last question, Chairman, is about the difference between regulated fares and unregulated fares and the growing divergence in those prices. Are you concerned about the effect that that may have on certain services, for example overcrowding on trains which offer Saver tickets?

Mr Crow: What is happening in our view is that the fares have purely been devised on the basis of maximum income and in fact sometimes it is on the basis of keeping people off the trains. When you see some of the prices of the fares, they are unbelievable. There are different standards of fares that people do not understand, that if you get on the internet you can get a cheaper fare, but some people have not got access to the internet. We believe at the end of the day that rather than looking inwards, keeping people off the train services because they become overcrowded and putting fares up, what you need to do is to use those resources to increase capacity on the railway network. As Peter Rayner said earlier on you can only increase capacity on the railway network if you give people another option and surely a fund should be set up on the basis of rejuvenating the railway network if you give people another option and surely a fund should be set up on the basis of rejuvenating the railway network by having a further high speed rail line out of the access. We have had over the course of the years people coming in and taking a level of profit from certain companies if they reach standards; we believe that a percentage should come out of those fares on the basis of increasing high speed rail links which will increase the capacity for everyone to use the railway network.

Mr Doherty: In relation to the fares debate that is going on, just before Christmas there was a media frenzy about the increase in fares. I actually did write to Ruth Kelly to see if we could get her to extract from the train operating companies just how many of these mythical cheap fares were available, particularly at times like Christmas, because they do not publish them. They will tell you that you can buy this cheap fare if your granny happened to be born on pancake Tuesday and there was a full moon that day and you have access to the internet, but even now if you have access to the internet all of a sudden the Trainline puts on a booking fee, without any announcement whatsoever, so the fares that were available or at least have been advertised as available are subject to a booking fee if you book on the

¹ Note by Witness: Alluding to the conclusions of Richard Murphy in his report Tax paid by the rail companies (which has been sent by the Union to the Committee), reference was made in our oral evidence to rail companies’ non-payment of tax. It was asserted that this amounted to £1.3 billion “annually”, when in fact it should be £1.3 billion in total. Secondy, the non-payment was referred to as a “tax fiddle” and it should instead be described as tax avoidance.
internet. They are not available if you go to the booking office, they are not available if you do not have access to the internet, and if we are talking about social inclusion it does tend to be those people who are not relatively well off who do not have access to the internet.

**Chairman:** Come now, Mr Doherty, you are not being cruel enough to suggest that the railway companies are not offering any large number of these cheap fares, are you?

**Mr Doherty:** I am saying they are not telling us how many they are offering.

**Chairman:** What was the answer you got from the secretary of state?

**Mr Doherty:** I have asked her to take it up; I have not got a reply yet. The train operating companies, Chairman, do not tell us, they say it is commercially sensitive.

**Chairman:** Has any of you ever set up a conscious experiment to try and work out how many named journeys are undertaken between particular points and how many cheap tickets are available? If nobody else is going to do it, why does the union movement not choose to find out how many cheap tickets are available on a particular day by asking them?

**Mr Crow:** We did, Chairman, have a meeting last year in Parliament over the question of fares.

**Chairman:** Forgive me, you can have as many meetings as you like, Mr Crow, what I am saying is why has this not been investigated using the facilities you have available?

**Mr Crow:** We have looked at Fares Watch and other committees that are being set up around the country on the basis of how many different fares there are. Most of the advertised cheap fares—if you buy the *Daily Mail* or the *Daily Express* you get a cheap fare here or a cheap fare there.

**Chairman:** I do not have the advantage.

**Mr Crow:** No, nor do I, but what I am saying is that is where it is mainly advertised.

**Chairman:** I am still asking you for evidence. Are any of you able to put any numbers on particular routes where you do not think there are large numbers of cheap tickets?

**Mr Doherty:** The answer to that is we have not done that. There was a debate, as I said, prior to Christmas and we asked the specific question because it was the view of the train operating companies that we were being unfair and we were quoting the dearest fares, and I can understand that. It is surely a reasonable question then to ask them, when they say that the fares are available, to tell us how many actually are available.

**Chairman:** At this stage they say it is commercially sensitive. We have asked the secretary of state if she can find out; if we cannot get it from her then obviously we will have to look at other means by which we can get that information.

**Mr Gordon:** If I could just add, Chairman, the other issue that has been raised about the regulated fares is that the train operating companies have the ability to restrict the validity of regulated fares far more than was understood. I believe, at the time when franchises were let out. So we have seen a situation where although they can raise the price of unregulated fares—and that has taken most of the criticism—the fact is that the hours when you can actually buy and use regulated tickets are very greatly restricted at the same time. That is almost as great a scandal as what has gone on with raising the unregulated prices.

**Mr Doherty:** The one at Rugby, it is quite clear, was an overhead line maintenance problem where the work had been subcontracted out. What happened was that Network Rail had subcontracted the work out for overhead line renewal work being done over that period, with maximum access to the railway network. They could not get into a situation where they had enough engineers to work, and what actually happened in some of the circumstances was that there were overhead line members of staff who actually work for Network Rail who were prepared to actually come and help out, and they were told you could not have a second job. Then they found out that they were running around the place offering people who did not work for Network Rail a second job to come and work at Rugby. It demonstrates the point once again, that if this work had been done in-house it would not have happened; the question of Liverpool Street falls into the same situation. You had a contractor there called Colas that is an amalgamation of two separate engineering companies, and it failed to deliver, with the removal of the bridge at Liverpool Street, enough labour. Once again what you had was Network Rail in charge of the overall job but the actual people working for them were a number of contractors and subcontractors. Since then we have now seen Ian Coucher—I think he is the chief executive now since John Armitt has moved on—saying that a number of these functions will now be brought in-house. We are not talking about bringing them back in-house because it will save money or on the basis of some kind of face save for Network Rail, but if Network Rail had been in charge of that project from the start of undoing the first electrical wire to putting back the last washer when that job had finished, we would not be in the situation we are now. Yes, there are always faults, whether it is a nationalised industry or a privatised industry, but it brought it home to bear once again. What we have been trying to stress is that all the infrastructure now is brought back in-house and the safety record has improved, but the renewals are still out of house. It seems to us only natural that
if you can bring the infrastructure back in-house and it has been a success then bring the renewals back as well and it can be a double success.

**Mr Doherty:** I do not know what happened, I can only tell you what Network Rail say happened, and it is not dissimilar to what Rob says. This governing structure that Network Rail has—as I say, I am a member of that and there was an interim report to that body from the board of Network Rail the week after Rugby was up and running again. The issue here as I see it is that Network Rail are the people who suffered the reputational damage as to what happened in Rugby, and the other one to a lesser extent is Virgin because they were the main train operating company on that section of line and they were completely helpless and blameless in the whole situation. That again is symptomatic of the problems and the structure that we have in the railway industry. If the railway itself had been one body and it had caused that then there is no issue about who is to blame here, there is no issue about whose reputation suffers, there is no issue then if there is compensation required as to who is to pay that. The structure lends itself to this kind of blame culture, but as I mentioned before when he is sitting in a train the passenger really does not care who is to blame in all of this. What the passenger wanted to know was how they were going to get from Birmingham to London after New Year and, by the way, it ended up that I had to put up with my mother-in-law for another four days because she could not get back up the West Coast Main Line, but that is a different problem.

**Chairman:** I do not think we want to intrude on your private grief.

**Q439 Clive Efford:** Are you both saying then that it is not just a one-off incident that happened over that period where Network Rail perhaps was over-ambitious over the New Year period, but that there is something in the structure and the way that they operate?

**Mr Crow:** When Railtrack was in place it broke itself into five regions, it became five separate companies, basically autonomous of each other, and they had the opportunity then to subcontract the work out. We then had the crash at Hatfield, we had the crash at Paddington and as a result of that it all came back on the basis of Network Rail being set up as a result of the bankruptcy of Railtrack. What took place then was that they let one contract out in the Reading area to see if they brought that back in-house what would it mean in terms of the cost of materials, the cost of labour and how much profit they could make; it became a success overnight so they went for another contract and that contract produced a success. Then what Network Rail moved to was that they bought all the materials so the companies could not have some kind of opportunity to say they were going to buy the materials and what the costs were, and that made another saving for them. They brought the infrastructure back in and the safety record has gone up since the infrastructure has come back under Network Rail and the costs have gone down. The renewals work—which is no different to maintenance, it just means a bigger part of the component is renewed rather than maintained—is still let out to the private industry; our view is that if you can make a success out of the infrastructure being brought back in-house then why not bring back the renewals as well and have direct control? As Gerry said, we knock Virgin when they do wrong, but I have to say Virgin had nothing to do with the incidents that took place at Rugby and One Railway, owned by National Express, had nothing to do with what happened at Liverpool Street at Christmas.

**Q440 Clive Efford:** Can I just clarify something that you have just said, because we have taken evidence about what went on over the New Year and we have been told that there is a list of engineers that was produced and a substantial number of those engineers did not show over that period to do the work. What you are saying is that there were engineers available, maybe not the ones that were on that list, who were directly employed by Network Rail, whom they could have brought in to get that work done, but because they were not subcontractors they refused to have them, hence the work did not get done and we had the overruns that we saw.

**Mr Crow:** Yes, Chairman; you have seen the list and the amount of companies that were involved and all those companies were quite clearly subcontractors of the main contractors that were supposed to have been doing the renewals work. There were directly employed overhead line workforces working for Network Rail who volunteered to work over the Christmas and New Year period and were told that you cannot have a second job, e.g. you cannot work for Network Rail and work on this job because it was designed as a contractor’s job, only to find out that some of the contractors that were turning up to work were doing a second job before they actually came and did that job.

**Chairman:** We are getting very tight on time so I am going to call Mr Stringer.

**Q441 Graham Stringer:** If I could follow up Mr Efford’s question, when we had Network Rail before us and some of the other people involved in the problems over the New Year we were told they could not get the engineers; since that inquiry has been televised I have had two or three emails saying that actually what has happened on that site and what has happened at other times is that people turn up and they sit in their cars, eat their sandwiches, have a flask of tea, they have a game of Bragg or whatever and actually they do not do the work. Is that something that you would recognise?

**Mr Crow:** They do not do the work?

**Q442 Graham Stringer:** Yes, that they stay in their cars—they claim the money, sometimes people who do not exist claim the money, so there is a big fiddle going on. Is that something that happens?
Mr Crow: I would not like to set hares running and say there is a big fiddle going on, that people just turn up. I think what may have happened is that you have a casual group of workers who may well be used by an agency who says we require you tonight and then when they turn up they are not required and will be sent home. I do not honestly believe that the company is going out there and claiming money for work that has not been done—that is not what I am complaining about. What we are complaining about is why, with the list of all these different agencies, when Network Rail could actually get hold of the entire workforce and say we are going to need a overhead line maintenance facility to do the work it was not done.

Q443 Graham Stringer: I do understand that, but I am testing it. People have sent me emails and I am just wondering whether you recognise it.

Mr Crow: No doubt that has gone on. There is a film that we produce called The Navigator and after privatisation of the railway network these issues went on, but they were going on 50, 60, 70 years ago as well. With casual labour you do get an element of corruption because the reality is that you only get paid for the actual time you work—I do not know about that specific issue at Rugby and Liverpool Street, whether people were sitting in their cars and playing Bragg or whist. I suppose they play other sensitive games rather than Bragg or whist any more, but certainly I do not know about those instances.

Mr Doherty: Again, I am relaying back what Mr Coucher has said to the governing body of Network Rail; what he said was that it was not just an issue of the quantity of subcontractors or overhead line people, it was the quality of the work that they were getting from the agency staff. The words that he used were that they had loyalty to their wallet, not to their employer, and what he said was the whole situation was exacerbated because of the quality of the work that these agency staff had carried out—what he referred to as snagging. In other words, the work they had done had to be checked and presumably redone whenever the quality had not met the standards. That exacerbated the overruns and it in fact contributed quite a lot to the overrun, particularly at Rugby. What he also said was that it was Network Rail staff that came in and actually got the system up and running again, and indeed he said that at times they had to send Network Rail staff home, such was their loyalty that they were actually working over the allotted hours that they should have been as far as safe working is concerned. Again it comes back to is the structure correct? What about the public ethos? The railway workers that I certainly experienced when I worked on the railway certainly felt that the railways are not performing as well as they were pre-Hatfield. Why is that, can you give us a simple explanation—more money in, worse service?

Chairman: Thank you very much. Mr Stringer.

Q444 Chairman: Did Mr Coucher, since he had the direct responsibility for controlling all these particular individual contractors, say to you or the governing body that this was something with which he could not work and that at any point he had not been able to check the quality of the work?

Mr Doherty: What he said was they were not in direct control of it, Bechtel was in direct control—this was at Rugby.

Q445 Chairman: Did he point out the reason that he was not directly in control was because he had appointed Bechtel as the project director?

Mr Doherty: He said that Bechtel had been appointed as the main contractor for the West Coast Main Line upgrade, which was before Network Rail was set up, when it was Railtrack. It was Bechtel who then subcontracted the work and there were eight other contractors. The only difficulty that had been identified according to Mr Coucher was the subcontract for the overhead lines. There must have been other subcontractors working on things like renewal of the tracks themselves and the signals etcetera, but he did not indicate that there had been any problems with the subcontractor for that particular work, only the overhead lines. That begs the question are there actually enough resources, bearing in mind that there were 31 projects going on over that period; are there enough resources in the country to take on that amount of work over that short period of time.

Q446 Chairman: I accept that, Mr Doherty, but let me put it to you in this sense: you are the general secretary of your union, which is an efficient union, full of a lot of hard-working and bright people. If something went wrong with one of your union organisers at some point, who would take the can back to your executive committee?

Mr Doherty: Me.

Chairman: Thank you very much. Mr Stringer.

Q447 Graham Stringer: A question I have asked almost every person from the railway who has come before us over the last few years is the public subsidy to the railways has gone up to £5 billion, and it is scheduled to reduce to £3 billion per year over the next five years. That is hugely more than the public subsidy during the nationalised period, yet when you look at the punctuality and reliability figures the railways are not performing as well as they were pre-Hatfield. Why is that, can you give us a simple explanation—more money in, worse service?

Mr Crow: Number one you have got the situation that Gerry opened up with on the basis of public ownership versus nationalisation; we are not saying that nationalisation was fantastic but it was a better system than the one we have got at the moment. Number one we had a joined-up railway so every aspect of the railway network was controlled by the chairman of the board through his advisers and, secondly, on top of that what you have got is a massive amount of skimming-off of money into profits. We now have a situation where I would say that safety is being compromised purely for profits because every pound that is spent by the train operating companies once they get the franchise is a
pound extra that can be given back as a dividend. The contradiction is that the private companies’ first onus is to produce a dividend for their shareholder. **Mr Doherty:** The simple answer is that the way that railway privatisation was sold to the nation was that the efficiencies in the private sector would mean a reduction in the subsidy.

Q448 Graham Stringer: No subsidy they said. **Mr Doherty:** No subsidy; certainly the premise was that you would get better quality for less public subsidy. The reality is that the complete opposite has happened. If you want to look for reasons there must be innumerable reasons: there are 20 odd train happening. If you want to look for reasons there must be innumerable reasons: there are 20 odd train operating companies who all have to make a profit; British Rail never had to make a profit, so that is an added cost to the system even if everything else was the same. There are 22 train operating companies having 22 human resources departments, 22 procurement departments; the economies of scale of one industry have been lost and that must be increasing the cost to the industry wherever it is coming from, whether it is from the fare box or from the taxpayer. What we are saying is we have had ten years of it now; how long are we going to put up with this before somebody gets a bit of sanity into the situation and says that the premise on which it was sold has not delivered and it is time to look at a different structure. **Chairman:** Thank you, gentlemen, you have been very helpful. I am very grateful to you all. Can I have my next set of witnesses, please?

**Witnesses:** Mr Colin Walton, Chairman & Chief Country Representative, UK & Ireland, Bombardier Transportation Group and Mr Haydn Abbott, Managing Director, Angel Trains, gave evidence.

Q449 Chairman: Good afternoon to you, gentlemen. I am sorry to have kept you waiting but I am afraid that we have been drifting a little on our timing today. Can I ask you firstly to identify yourselves for the record? On my left. **Mr Abbott:** I am Haydn Abbott, I am the Chief Executive of Angel Trains Group. **Mr Walton:** I am Colin Walton, I am the Chairman & Chief Country Representative of Bombardier Transportation in the UK and Ireland.

Q450 Chairman: Thank you, Mr Walton. I should explain to you both, in case you think in a deliberate ploy, in about ten minutes the members of this Committee are going to leave you, perhaps for some reasonable amount of time; please bear with us, if there is a division called then of course we will have to suspend the Committee. Can I ask either of you if you have anything you wanted to say? **Mr Abbott:** Nothing. **Mr Walton:** Chairman, I have a brief statement I would like to add to our document we have already sent to you. In general Bombardier welcomes the 30-year HLOS and particularly the rolling stock plan: we believe it is long overdue. We are disappointed that there are not specific actions actually in there in relationship to project timescales or products or who leads and when they would lead. In terms of projected rolling stock provision, the 1300 cars that get regular mention, we have some concerns surrounding that as we have always maintained that for a railway fleet of the size that we have in the UK some 400 cars per year are required. We have seen no real major orders for the last three years; that is 1200 cars there as a backlog and so we can see very little growth or easing of passenger ridership. We would also point out that even if an order was placed today it would take some two years to deliver the first cars, and our information is that it is likely that the major orders would come towards the end of this year and therefore we have already lost two years of a five year plan, so again we have some concerns in that area. We have always maintained that peaks and troughs are a real challenge to particularly the manufacturing industry, and we all remember with a good deal of pain what happened in 2004 with the slam-door rolling stock. We have been maintaining for some while now that 2014 becomes a peak; it is very difficult to manage a peak and it is also not cost-effective for the taxpayer; we have always said that a programme of sustained manufacture would give at least a saving of something in the order of 10%, so we are very much mindful of the peaks and troughs scenario. We believe that the DfT are the best people to manage the peaks and troughs because they have the overview and it seems to us that what they are looking at doing is putting the emphasis on the train operators who, by definition, have a very short franchise duration of some seven years on an asset that is valued over 30 years. It does seem to us that we need to find a better way of doing that. There are regular tripartite meetings we are told for the next stage with DfT and Network Rail and the train operators, but neither the ROSCOs nor the manufacturers are involved, so again we need to see how that pans out and works.

Q451 Chairman: Why have people been excluded, Mr Walton? **Mr Walton:** I do not think, if I may say, it is a case of deliberate exclusion. I would imagine that the issue is complex and therefore the fewer people around the table with a view is possibly the best way forward.

Q452 Chairman: Surely if I am your customer then I am going to obviously know how my business is going to grow and I ought to talk to the people who will do the job, should I not? **Mr Walton:** That is our view and we have asked the Department for clarification; we are in discussions with them because we feel that we have a lot to contribute to such a discussion.
Q453 Chairman: Mr Abbott, you are quite an important player in this establishment; have you pointed out to the Department that you should be included?
Mr Abbott: Yes, we pointed out to the Department that we own roughly 40% of the UK rolling stock, which means that we are in a unique position to help in the implementation of the rolling stock plan in terms of cascades. We have demonstrated our ability to invest in new rolling stock, both in the UK and more recently outside of the UK, and we clearly have developed procurement expertise in rolling stock which is probably second to none in Europe today because we have as a company purchased more rolling stock and more different types of rolling stock than almost anyone else in Europe, including most of the state railways. We have pointed out, exactly as Mr Walton has said, that our ability to be able to help with the smoothing of orders and ordering in bulk rather than 10s, 20s and 30s from time to time is a way of achieving a significant cost reduction in terms of the manufacturing costs.

Mr Abbott: That is correct.

Q458 Graham Stringer: That is the simple point. I would like to explore just what the relationship is when you are leasing trains; who is actually your customer, is it the train operating company or is it the Department for Transport? I know the Department is involved but how is it involved; is it really the customer or is it the train operating companies?
Mr Abbott: Officially it is the train operating companies but the way the franchises are specified very often the DfT—which by the way has already admitted this in its evidence to the Competition Commission—either prescribes the rolling stock that will be used in a franchise or prescribes, by saying for example that there will be no new rolling stock in the franchise because they have some programme which they wish to carry out rather than the industry as a whole wishes to carry out. In addition, the DfT actively prevents the movement of rolling stock between franchises or indeed from franchises to open access operators.

Q459 Graham Stringer: How does it do that?
Mr Abbott: Because it controls the train operating companies and does not allow the train operating companies if they have rolling stock on lease to release that rolling stock, or if a train operating company wishes to take new rolling stock on lease then it will prevent the train operating company from taking new rolling stock on lease because it has those powers under its franchise agreement.

Q460 Mr Sharma: What you seem to be describing is not a market operating normally but a virtual market that is controlled by the Department for Transport; is that a fair comment?
Mr Abbott: It is significantly like that, yes.

Q461 Graham Stringer: We have talked about the poor supply of rolling stock; what are the consequences in terms of the price because if there is a free market working then in theory, at any rate, that should drive down prices. Is there a price consequence of this virtual market?
Mr Abbott: As I said in my written evidence the UK is not actually an island physically, but in rolling stock terms because of the differences in gauge the rolling stock is an island in terms of rolling stock. When we lease rolling stock in our European operations and we buy rolling stock for example from my friend here, basically we can operate that rolling stock in several different countries; if we buy rolling stock in the UK it is more or less UK gauge, UK size and very often with unique power supplies. That means that when we are trying to order rolling stock and we are ordering it in small quantities, we will be ordering only from rolling stock which is produced by the manufactures of a certain size and shape which is unique to the UK; therefore unless you have the ability to order larger quantities of rolling stock you will have tremendous problems of...
lack of scale. If you order 20 trains as distinct from 200 trains or 300 trains then naturally the price is higher.

Q462 Graham Stringer: Could you put a figure on the cost of the Department’s interference in these terms?  

Mr Abbott: Not in total terms, but I would agree with the comment that Mr Walton has put forward, that it adds at least 10% and possibly even more to the cost of trains.

Chairman: I am afraid the Committee is now suspended; if there are two divisions I would be grateful if Members could return as soon after 20 minutes as possible.

The Committee suspended from 4.28 pm to 4.49 pm for a division in the House.

Chairman: I am grateful to you for that; Mr Stringer.

Q463 Graham Stringer: When the railways were privatised in the Nineties there was some criticism that the leasing companies were the only unregulated part of the system. Would it be fair to say that the Department for Transport have put themselves in the position of a very ineffective regulator without telling us about it? Is that what they are trying to do, are they trying to regulate you?

Mr Abbott: Yes; the only word I would question in that statement is “ineffective” because they actually are quite effective in the length and the breadth of the control that they actually have.

Q464 Graham Stringer: That is a fair point; what I was meaning to convey is from your answers they effectively control but they are not effective in the way you expect normal regulators to be effective in keeping prices down.

Mr Abbott: The bigger issue, if I may add, is that in an environment such as we are in today there is very clear and obvious demand for new rolling stock and where, for capacity reasons and in certain places replacement, it would be the natural function of a private industry for us to contract with a manufacturer such as Bombardier and others for the manufacture of such rolling stock and then to contract with the train operating companies. We are essentially not free to do that unless we have a very specific opportunity which is authorised by the DfT through the franchising system.

Q465 Graham Stringer: What we have got is a halfway house, is it not, we have neither got a free market where you are free to procure and sell on, nor have we got a transparent, regulated system. I do not want to put words into your mouth, but it seems to me—and I would be interested to know whether you agree—that we would be better off with either a regulated public sector system where things are transparent or a private system. We seem to have got the worst of both worlds; is that a fair comment?

Mr Abbott: We have indeed ended up with a problem of the dynamics of the market and this is clearly an issue which is under the spotlight with the Competition Commission. Looking at the benefits to the UK railway of providing additional capacity, our view—and you will not find this surprising—is that it would be better if we had a market in which we could contract with the train operating companies to provide additional rolling stock in a timely way rather than the process at the moment which does take an inordinately long time to procure new rolling stock into the market.

Mr Walton: May I add something to your original question? You asked who is the customer; from where Bombardier sits it is a very difficult question to answer, to be absolutely honest.

Q466 Graham Stringer: That is very strange, is it not, in the commercial world, that you do not know?

Mr Walton: It is. The thing is, you see, we are in a tripartite discussion all the time. For example, if a train operator is wishing to have new trains the train operators will either bring the ROSCO in with them early on in the process or do it themselves and then look at financing the trains after. Usually they bring the ROSCOs to the table at the same time, but the criteria of the train operator and the ROSCO are very different, they are looking at different things—for example, one wants it extremely early and as quickly as possible to make use of its franchise length, the other may be looking at some longer terms and making sure that it has the right technical aspects of the project and that it is more of a go–anywhere train as opposed to a specific route. Also, the train operator then will enter into some kind of a maintenance agreement with Bombardier or what we call a technical support agreement, so again we tend to have a triangle working all the time. As Mr Abbott says, what happens then is it goes to the DfT for endorsement, so whatever the three parties all agree it would then go to the DfT for its blessing and they then can—and quite often do—change again the criteria. Mr Abbott is quite right, he is the one who pays me the cheque and therefore you could say he is the customer, but a train operator will equally say we are the customer, we are just bringing in the rolling stock company, so we have that dilemma. You mentioned quite a bit on price and affordability; in the 30 year plan it mentions that affordability will be looked at so it is not to say that just because new trains are needed they will be purchased, they have to look at the affordability of them. What we would like to see is the criteria that they will judge that on: for example, any work that Bombardier do is done in the UK, for each pound that comes into our new build facility two pounds goes to the economy, it is that kind of a factor and that is being supported by an independent review. What we are saying is that must be of advantage to the UK taxpayer on the whole, but we do not see that in any way as part of the DfT’s assessment as to whether to place an order with Bombardier or somebody else. I guess we are still learning the rules that we have to live by and they are the people who set the rules, so we are like one step removed immediately and that is why we want to get closer to having our views taken into account.

Graham Stringer: Just one question on that, do the Department have the expertise to interfere sensibly—think carefully.
Q467 Chairman: Given that they are the final arbiter think very carefully.

Mr Walton: Yes. Clearly, the Department have got people in there with a good deal of expertise in specific areas and they are increasing their engineering team. Under the SRA, for example, there were very few engineers but now the Department are getting into a team where they understand the engineering solutions, but really the situation is that if you have someone who wants to buy a product, from whichever manufacturer, and they are buying virtually all the risks of that product, you have to look to see who else can add value to that scenario. If you cannot add any value, my opinion is that you need to stay out of the game a little bit.

Graham Stringer: A very diplomatic answer; thank you.

Q468 Clive Efford: What you are saying is that the Department for Transport has a separate set of criteria for determining whether an order should be placed than the people involved in the industry. What is it, do you think, that is uppermost in the mind of the Department for Transport that would lead them to come to perhaps a different conclusion from the train operating companies, the manufacturers and the ROSCOs?

Mr Abbott: Cost.

Q469 Clive Efford: Cost to?

Mr Abbott: To the Treasury.

Q470 Clive Efford: Each new train that is placed on the railway has a cost to the Treasury.

Mr Abbott: It has a cost to the train operating company, mitigated by any increase that the train operating company will get by increased fares, but if there is a net cost for that train the Department are concerned that that cost might in some way end up with the Department, either through increased subsidy or decreased premium in the end.

Clive Efford: If it is the private sector that is involved in the provision of rail services and if those sitting around the table—the ROSCOs, the train operating companies and the manufacturers—say here is a project for new rolling stock that will not cost the Department for Transport or the Treasury a penny, would the Department for Transport take the same approach to try to second-guess what you are doing? What I am saying is are you risk averse, do you only ever put rolling stock on the railways that you get a bung from the Government for.

Q471 Chairman: I say; a payment.

Mr Abbott: When we buy rolling stock—this leads partly from something that Mr Walton said—our interest in rolling stock is for 30 years. We buy rolling stock essentially to keep it and to lease it out over several franchises. If that is procured or semi-procured by a train operating company and then financed by us, it is fair to say that the TOC has a seven year horizon for that rolling stock, we have a 30-year horizon. We have to finance it and then get our money back over the remaining 23 years of the rolling stock: it gives us a very long term view. Therefore, when someone approaches us, whether it be Virgin West Coast, South-West Trains or any of the other operators, and says “We would like you to finance some rolling stock”, we do not just look at what is happening today, we look at what will happen, as far as we can tell, over an extended period of time because we are not interested in buying rolling stock which is leased for only four or five years in the first franchise, we have to think of buying rolling stock which is going to be attractive to customers, the train operating companies, over a long period. That gives us a very different perspective; the rolling stock companies are virtually the only private operations that have very long-term investments in the railway.

Q472 Clive Efford: Correct me if I am wrong, in answer to the questions of Mr Stringer did you not say that the rolling stock is bespoke for the UK rail system, you cannot sell those abroad or take them elsewhere across Europe?

Mr Abbott: That is generally true. A very small amount of rolling stock has been sold from the UK to New Zealand, Iran and a few other countries, but very small amounts of rolling stock.

Q473 Clive Efford: The chief reason for that is because it is not compatible, or is there another reason?

Mr Abbott: It is generally not compatible because the UK has a smaller loading gauge by and large than most countries and our trains are therefore too small for the applications that you would have, for example, in Germany or most of continental Europe.

Q474 Clive Efford: Mr Walton, you said earlier on that you felt there should be 400 new carriages ordered per year in order to sustain the network. The White Paper says there will be 1,300 new carriages by 2015; is that sufficient?

Mr Walton: The White Paper says there will be 1,300 carriages on a table under HLOS from 2009 to 2014. 2009 we have missed already; it is not possible to get trains that have not been ordered in that period. The situation is though that the carriages that have actually been identified, a lot of the 1,300 are cascaded stock, so they are not new stock. We are therefore still trying to rationalise the numbers that the DTF have come up with on actual specific train operations or opportunities, and what we see is that a lot of the scenario is a small number of trains going into one location and then trains cascaded out, maybe a larger number cascaded out because the newer trains are more reliable or more flexible, but in some cases the new trains going in, because of the safety standards, have even less seats than the older trains, so to cascade them out you need more new trains going in. We are at the moment exploring that if you put 50 cars into Northern franchise and then how many do you move out, where do those cars go and what effect does it have on somewhere else? Each of these cars could be owned by a different ROSCO or they can have a different set of technical
parameters on them that make it a little bit more difficult for another train operator to use. For example, dual voltage trains; if you are not using the dual voltage in terms of third rail or overhead line you do not need to be carrying that much weight around on routes that are not specific to it, so there are a lot of dimensions to go in. All of that is in the 1,300 number so it is not at the moment 1,300 that we can identify, but we have been assured that there will be 1,300 new cars. At the moment we have a table that we are trying to rationalise and then we have a statement that is on top of that table and we are just trying to put the two together.

Q475 Clive Efford: Is it appropriate that the demand forecasts underpinning the White Paper and the High Level Output Statement are based almost entirely on the Passenger Demand Forecasting Handbook?

Mr Walton: It is based on passenger demands going forward that have been evaluated on the possibility of those happening. All the train operators I have spoken to believe it is very conservative in terms of demand and therefore they are all saying they need more trains than the 1,300 to be able to reduce overcrowding. What we say is even the 1,300, if they all could have been delivered today, would not help the future predictions but would help overcrowding today in certain areas. As we know, however, a lot of the 1,300 is very much London-specific and we know there is a lot of overcrowding in some places other than London that we are not seeing identified in great numbers.

Q476 Clive Efford: Has the specification for the Inter City Express Programme taken too long?

Mr Walton: We bid the Inter City Express Programme once—a full bid when it was led by one of the train operators and then Angel themselves put out a tender which we responded to and bid. Now there is a new tender out with some new variances; the whole process takes a good deal of time, I guess we are where we are now and we want to see it come to fruition. The issue is what is the actual product and how many variants are there of the product because the key thing is that it gets into the electrification debate; do you need diesel trains if you are going to electrify, do you need a hybrid train? All of those have to be taken into account and you can be analysing everything in such great detail that you never do anything. I am not suggesting that the DfT would ever do that but there are instances, for example, where we are looking at changes in the environment and the different types of engine for the new environment, the green trains. If you wait for every possible solution that is on the drawing board, you will never get anything built.

Q477 Clive Efford: Do you think that the consultants involved in the process have been able to oil the wheels or do you think that they have been too costly and slowed the process down?

Mr Walton: I cannot speak about their costs because I do not know how much their costs are, but it is connected with an earlier question that you asked, does the Department for Transport have the resources to be able to technically look and vet? Clearly in this specific case they felt they have not so they have gone out to the consultant market to come along and assist them. None of that really speeds up a process and the big issue is the accountability—I have not met many consultants yet who are accountable for the actual specifications. They will say you need this specification, it has to be done in a certain way, but they will not underwrite it, the manufacturers will have to underwrite it.

Q478 Clive Efford: How do we overcome this problem of feast and famine in terms of supply of rolling stock?

Mr Walton: This is one we have been wrestling with really since privatisation and indeed before, even in BR’s times. Just when BR was privatised there was a big influx of new trains; those trains all get old at the same time so you inevitably build in a peak. In 2004 there was the slam-door peak and it will all need refurbishing probably at the same time, it will all need replacing at the same time. What we have maintained and said and demonstrated is that if we can keep a flow of small orders for topping up a process (a) you do not have to go through the safety case every time—which is a very expensive and long-term process—you do not have to keep reinventing the wheel and the reliability forecasts, and for a very small amount of money you can keep production lines going and get the benefits from having continuous production, which is not only the benefit in costs but also is a benefit to the situation that we have in that we had to make people redundant at the time of 2005 because we had been recruiting 60 people a week to get the deliveries in 2004 and then laying off 80 people a week in early 2005. That is not a good marketplace to say come to work for us as an apprentice or a graduate engineer.

Mr Abbott: One of the real problems here is that we are dealing with an industry which is essentially very long term. Rolling stock has a life of 30 years and with some well over 11,000 vehicles in the UK, including Scotland and Wales, you do need to have a strategy. You need to understand very clearly what you are going to be doing over certainly the next 20 years with the issues around electrification or disability compliance and all of those issues in order to set up a framework to know what you are going to do. The IEP is a very good example of that: we put forward two views on IEP which were related to the current HST fleet, because we own the majority of the current HSTs, and we created an economic model that said either we do a very, very major refurbishment of the HSTs to take them up to 2020, including, for example, fitting retention toilets and that kind of thing to make them much more acceptable, or we should replace them early. We went out, as Mr Walton has said, with a programme and a specification to buy replacement HSTs some three to four years ago. That process was stopped for reasons I never quite understood from the DfT, but normally we would have expected that we would have made a short term extension to the life of the current HSTs and then brought in new trains in the
period 2009, 2010 and 2011. What we have actually done is something completely different. Angel Trains alone has invested £110 million in life extension of the current HSTs and people like First Group and others have invested also a very large sum. We are now looking at a very expensive programme for the IEP procurement which stretches out now to 2015, and indeed we have already missed the IEP deadlines for trying to bring the train into service for 2013. This lack of joined-up thinking does increase the costs left, right and centre and does not actually deliver what we need to deliver, and when you go back to the manufacturers the manufacturers then do not know what to plan, what capacity to plan, and that does not work. I went with Mr Walton some time ago to see the secretary of state at a time when Bombardier were being pushed to make redundancies in their factories in the UK and suggested that we put in a stop-gap order sufficient to keep the manufacturing lines in Bombardier working. We received no response whatsoever.

Q479 Clive Efford: One last question on the procurement, just to go back to my point, when you buy in new rolling stock how long does it take you to amortise the capital outlay?

Mr Abbott: There are two answers to that: one is that we depreciate the trains typically over 30 years—in the UK at least—and in terms of the economic return as an investor we make an economic return something around the year 23 or 24.

Chairman: That is very helpful. Mr Hollobone and then Mrs Ellman.

Q480 Mr Hollobone: The feast or famine point, Chairman, is not a difficult concept to grasp and, Mr Abbott, you say that you made contact with the secretary of state to raise this issue. Did you actually have a meeting with the secretary of state?

Mr Abbott: Yes.

Q481 Mr Hollobone: When you say that there was no response, what do you mean?

Mr Abbott: We put forward the view that (a) capacity was needed and (b) there was for us a serious issue about the continuation of Bombardier’s manufacturing in the UK. There is a certain amount of self-interest as a rolling stock company because we do look to the long term support of rolling stock in the UK and we do look to people such as Bombardier to maintain very high levels of engineering resource to actually support the 4000 or so vehicles that we have got, so we have a certain amount of interest in that. The first view that was put forward was that this was not possible under European procurement rules, but I did point out that in fact we as a private company are not actually covered by the European procurement rules and that we could have ordered rolling stock without going through that process. I am not necessarily saying that we favour our friends in Bombardier more than the other manufacturers, we work with the other manufacturers equally well, but having left that proposal on the table I think it is fair to say—and Mr Walton will confirm—that we received no response whatsoever to our proposal.

Q482 Mr Hollobone: When did you go and see the secretary of state?

Mr Walton: Two years ago.

Q483 Mr Hollobone: Who was the secretary of state at that time?

Mr Walton: It was Alistair Darling.

Q484 Mr Hollobone: Have you been given an official minute of that meeting?

Mr Walton: No.

Mr Abbott: Indeed, we did not request it.

Mr Walton: What we put forward at that time was Bombardier identified that if it had an order for 150 cars, which equated at that time to about £150 million, that order could be split between EMUs and DMUs and it would have kept both lines open in our factory. It was recognised that that would make sense but are the trains really needed, we have to see what happens with the HLOS to see if the trains are really needed. Mr Abbott said he believed the trains were needed and he was therefore prepared to take that risk, we knew they were needed, but the key thing was it was not just our own production line, it was our supply chain, and unfortunately a good few of our suppliers have either gone bankrupt or gone into receivership. There was one case where Bombardier had to buy a company from receivership in order to keep its line moving and we were left in a situation where, when the orders started to pick up, we had to go back and create a new supply chain, with all the learning curves that go with it. That cannot be good for anyone.

Q485 Mr Hollobone: As a result of the process of not smoothing the ordering of trains, what has the structural adjustment in your industries been in terms of pounds, shillings and pence and the number of people employed?

Mr Walton: We have lost by our reckoning something like 60 companies that have come out of the railway business, some by choice because they came in when there was a peak, some are from the aerospace business so they came to the railway when it was at a peak and now aerospace is moving up again they have moved out because that is the market they prefer. In terms of money it is in the multi-millions, big numbers.

Q486 Mr Hollobone: In terms of jobs?

Mr Walton: In terms of jobs our own company has suffered quite a few job losses. We have had to close two factories—we closed the factory at Doncaster and we closed our original Bombardier factory at Wakefield—and we brought the work into Derby to try and keep the resources going at Derby as much as we possibly could. Bombardier as a company put extra work into the UK that would not normally have come to the UK, work for Taiwan, and they wanted to demonstrate that the Derby site is as competitive anywhere in the world—and it is, it is
extremely competitive. It is strongly supported by our facilities at Crewe and we have had to make some serious redundancies at Crewe: this is not an atmosphere that we want to be in because clearly we want to be in an atmosphere and an environment that moves forward and brings in young talent for tomorrow because we passionately believe in our industry.

Q487 Mr Hollobone: Given that the DfT are all over these leasing contracts and nothing basically happens until the DfT signs off on them, are you surprised at the lack of response you got from the secretary of state?
Mr Walton: Surprised is probably the wrong word.

Q488 Mr Hollobone: What is the right word?
Mr Walton: We were extremely frustrated and extremely concerned at what we felt was a very short-sighted approach. No one at all was doubting that there was not a need for these trains and it almost was we will push everything back until we have the right piece of paper that justified them and by the way that is the HLOS document. Now we are seeing things that we know we could have delivered two or three years earlier, that would have helped the overcrowding and also would have made our product line and our supplier base product line far more cost-effective than what we are seeing now.

Q489 Mr Hollobone: What are you saying is that the overcrowding situation is worse now because of that decision not to smooth the interim process.
Mr Walton: In our opinion, yes.
Mr Abbott: It would be fair to say that it goes back to the question that Mr Stringer asked earlier on; I am convinced that if we had 150 to 200 vehicles in the UK today then they could be put into service and by the way that is the IEP. This is of course what I was seeing things that we know we could have delivered possibly by 2010/2011 if manufacturers are capable of delivering the required outputs”. Do you have any comment?
Mr Walton: Yes. This is of course what I was brought up to call Thameslink 2000 so it did not quite achieve the target. What the manufacturers need to know is what they are expected to build. Could we deliver a train for Thameslink prior to 2015? Yes. If we had an order now we could deliver a train that would meet those requirements in the next two to two and a half years; however, what are the requirements and do people believe this should be a different product to what currently exists, and any changes to the product we believe you are better to do with a genuine process as opposed to trying to create a brand new product from scratch, with all the learning curves that that will give you. We have, in our opinion, trains that are now very reliable. Bombardier was successful in winning seven of the awards that were awarded just before Christmas for reliability; we have the most reliable fleet. There are things that we would like to change to make the trains lighter, we know various energy benefits that we can bring and it is almost a feeling of yes, but that gives Bombardier a huge advantage because you know the market and you have the right product, therefore let us invent something else. We are quite frustrated in that and I have to watch my frustration because obviously it is a major customer that I am frustrated with.

Mr Abbott: If the Department does as it appears to say that it is going to do, which is to go for the Thameslink procurement in the same way as IEP, then we will not see the trains before 2015.
Chairman: That is very helpful. I want finally to come to Mrs Ellman.

Q491 Mrs Ellman: What are the implications of electrification for rolling stock?
Mr Walton: Electrification is clearly a greener environment depending on how you measure the emissions and where they come from. From our point of view, if somebody wants an electric train or a diesel train the electric trains tend to be less complicated and we tend to be able to do them quicker and clearly they do not have the engine as the major source, they have the electrics which is a Bombardier supply so it helps us with the supply chain. Electric trains are a very viable way to go but it depends very much on the energy policy of the UK and whether it wants to electrify lines because the situation is that we can only run electric trains under electrified lines, which is a bit of an obvious statement but we have not seen much movement on electrification. Electrification appears to us to have been almost put on the back burner as something that will be looked at later in very specific areas, but with a very small impact that it would make to the global network. If you are looking at electrification you need to be looking at things like First Great Western or the bigger projects—the East Coast Main Line is electrified and the West Coast is, but the Midlands is not. Nobody is looking at those and for the Midlands, for example, we are told that electrification is not an option; I hear that Edinburgh and Glasgow could be an option, but all of it is talk really and we are ready now to build whatever is expected of us because none of it will help the demand that we have for trains at the moment.

Mr Abbott: As an investor in trains for 30 years we do not mind whether they are electric trains or diesel trains except where we get to the point of starting to think about what is going to happen. The first point is that if we are going to be buying diesel trains to come into service in 2015 we have to believe that diesel trains will be able to operate in 2045, i.e. that diesel will be available and that the environmental groups will continue to allow diesel trains to operate. That is the first point. The other point is the
uncertainty in that if we buy a fleet of diesel trains and then electrification takes place, our diesel trains effectively become redundant. That is a very key issue around the Inter City Express Programme where a substantial part of it is actually built around head-end diesel power, although there is lots of discussion about self-propelled trains—I am not quite sure how big a rubber band one can actually make. Are we really going to buy a fleet of diesel trains which would mean, if electrification on Great Western takes place—let us say in the period 2020 to 2025—actually you would then have to take out the diesel head-end and replace it or modify it in some way at great expense. Probably what we ought to be saying is electrification going to take place, yes or no? If it is no, no is no, but if we buy under the current IEP programme diesel trains they will be fixed by a Government contract in use for 30 years and electrification will therefore not take place.

Q492 Mrs Ellman: Will electrification increase capacity?

Mr Abbott: Electrification increases capacity in the case of IEP for example because with the cars at each end you have people in the cars rather than big engines; therefore, in the same space you can take more people.

Q493 Mrs Ellman: What about high speed rail; how long would it take you to procure and deliver rolling stock?

Mr Walton: Is this the actual building of a high speed line?

Q494 Chairman: No, your end of it.

Mr Walton: Can we build a high speed train? Bombardier is involved in all the high speed train projects in the world, the technology is there for us to build a high speed train at 250 to 300 but it is whether the track can take that train that is the bigger issue. That is not our issue.

Chairman: Not for today. Gentlemen, you have been very patient and extraordinarily helpful and interesting. Thank you very much for coming, we are very grateful. The Committee is closed.
Wednesday 5 March 2008

Members present:

Mrs Gwyneth Dunwoody, in the Chair

Mr David Clelland
Clive Efford
Mrs Louise Ellman
Mr Philip Hollobone
Mr John Leech

Mr Eric Martlew
David Simpson
Graham Stringer
Mr David Wilshire

Witnesses: Mr Chris Bolt, Chairman, Mr Bill Emery, Chief Executive, and Mr Michael Lee, Director, Access, Planning and Performance, Office of Rail Regulation (ORR), gave evidence.

Chairman: Members having an interest to declare.

Mr Martlew: A member of UNITE and a member of the GMB Union.

Clive Efford: A member of UNITE.

Graham Stringer: A member of UNITE.

Mr Clelland: A member of UNITE.

Chairman: A member of ASLEF.

Mrs Ellman: A member of UNITE.

Q495 Chairman: Good afternoon to you, gentlemen. You are very welcome. I think we might actually get very extravagant and offer you five more minutes than usual by starting now. Could I ask you whether you actually wanted to comment on anything before we begin? No? Perhaps you would give us, firstly, your names for the record, starting on my left?

Mr Lee: I am Michael Lee, the Director of Access, Planning and Performance at the ORR.

Mr Emery: I am Bill Emery, the Chief Executive of the Office of Rail Regulation.

Mr Bolt: Chris Bolt, Chairman of the Office of Rail Regulation.

Q496 Chairman: Did anybody have anything they wanted to say before we begin?

Mr Bolt: Just briefly, if I may, Chairman. When we were here before you on the last occasion we said that what happened over the New Year was unacceptable in terms of its impact on passengers and freight users, that we would carry out a thorough investigation and produce a report, which we have now done and which I know you have seen. The package of measures we announced last week are intended to go beyond the immediate causes of the issues which Network Rail was describing in its evidence to you. What we have identified are some more deep-seated weaknesses in the way Network Rail plans, manages its projects, carries out management on site and communicates with train operators. These are all important issues for it to resolve, not least because of the impact they can have on the successful delivery of the major programme of works it will have for the next five years, and indeed for the next 30 years, to meet the challenges of the White Paper. So we are determined that Network Rail takes our findings seriously and that we get them in a position where the weaknesses we have identified have been addressed.

Q497 Chairman: That is helpful, Mr Bolt, because frankly I think some of us were a bit stunned by this report, because although you have used very carefully measured language what you are really saying is that there are quite real problems with Network Rail and in these instances you looked at there were problems with planning, design, procurement, monitoring, with the use of contractors and the way they reported back. This is symptomatic of really a structural malaise, is it not?

Mr Bolt: I wouldn’t say necessarily it is a structural issue. It is clearly a significant issue in terms of the management of the company and whether it is delivering best practice in managing railway assets. The issues we have identified, which go beyond some of the points we identified following the overrun at Portsmouth, do, however, raise questions about the capability of Network Rail to deliver, as I said, the significant investment programme it has got. One of the points we identified was, for example, the understanding of the capability of the supply chain. That is clearly going to be a very important issue, not only for the decisions we will be taking shortly on funding for the next five years but, as I say, for meeting the capacity challenges going forward.

Q498 Mr Martlew: Obviously, there are various criticisms, at various levels, of management. How do you think the board of Network Rail behaved?

Mr Bolt: One of the reasons we concluded that a penalty was an appropriate part of the package was to send a very clear signal to Network Rail’s board, and in these instances you looked at there were problems with planning, design, procurement, monitoring, with the use of contractors and the way they reported back. This is symptomatic of really a structural malaise, is it not?

Q499 Mr Martlew: Do you believe this particular board has the capacity to do this, and what is your view of the Chairman’s action over the Christmas time?

Mr Bolt: Clearly, we do not have a role in appointing the board, nor should we. I would expect the non-executive directors, playing the role which is proper for non-executive directors, to be asking questions about the governance of Network Rail and issues of that sort.
Q500 Mr Martlew: I am not quite clear. Are you of the belief that this present board can actually make the improvements which are necessary?

Mr Bolt: We believe that if Network Rail takes the issues we have identified in this report seriously, it is capable of making the improvements needed to improve its practice on planning and management of projects, yes.

Mr Martlew: Thank you for that. Could I now go on to the West Coast Main Line programme?

Q501 Chairman: I am going to hold you there for a minute and I will come back to you on that, because we are all going to be after the West Coast Main Line. I think really the point Mr Martlew is concerned about is the governance arrangements generally. Are they going to actually function well for an organisation of this size and importance?

Mr Bolt: Network Rail clearly has an unusual governance structure in the sense that it does not have shareholders, it has members, but it operates within the framework both of the Combined Code and within licence conditions, for example, setting the criteria which the management incentive plan should meet and requiring at least two non-executive members to have railway experience. We have said as part of our general review of Network Rail’s licence conditions that we will be consulting more broadly during the course of this year on whether those licence requirements are adequate or whether we should look at reviewing those requirements. To emphasise the point, it is not for us, nor should it be, to take decisions on the structure—

Q502 Chairman: Mr Bolt, we are not asking you to recruit, but we are saying that if part of your responsibility is to look at the way this thing works, then inevitably that must include the composition of the board and the responses of the board and the non-executive members, and a lot of people believe that this organisation is run by a group which is totally toothless and therefore cannot instigate the sorts of disciplines you ask for in your report.

Mr Bolt: If there are issues about the governance of Network Rail which are relevant to our licence conditions, then of course we will look at those. The key issue for us, as Network Rail’s regulator, is to make sure that the company (that is the board and the senior management, not distinguishing between them) address the weaknesses which were identified in this report and put them right.

Q503 Graham Stringer: Is not the real point that your structural relationship with Network Rail is the structural relationship of a regulator with a private sector monopoly and that relationship, where it works, implies when thing go wrong that they are fixed and that the shareholders take the consequence. In this case, when you fine them I and the rest of the Committee and the people watching us as taxpayers pay the consequence. Is that not a structural problem, because you are sending taxpayers’ money around the system, are you not?

Mr Bolt: I think there is an important misconception about how fines work in a company like Network Rail. In reality, I think it is almost immaterial what the ownership structure is.

Q504 Graham Stringer: Do you really mean that?

Mr Bolt: I do. Over Christmas the additional costs which Network Rail has incurred, including compensation to the train operators, was over £20 million. If it does not put right the issues we have identified in this report, then a lot of taxpayers’ money through support to Network Rail will get wasted. But if it can address those issues, then taxpayers and rail users will get a better deal because it will achieve greater efficiencies in future.

Q505 Graham Stringer: I find that extraordinary because if you fine a private sector monopoly the money comes out of the shareholders’ wallets effectively in the long term, does it not? The shareholders suffer. Whose wallet does that fine come out of? Who goes to their bank balance and finds they are less well off because the management of Network Rail did not get it right over Christmas?

Mr Bolt: The policy which we have set out very clearly in our penalty statement—and this was the basis on which the board took the decision on the penalty—is that it should be the minimum level to incentivise compliance with the licence. So we are saying that we believe that fine of £40 million is necessary to focus the minds of Network Rail’s management and board on these weaknesses and to address them. That will produce a lower cost to train operators and taxpayers than if Network Rail carries on with these weaknesses and with the risk that we see further overruns and further costs on Network Rail of the sort we saw over Christmas.

Mr Emery: If I can add something on this, Iain Coucher has actually said that the way the company is going to deal with this is through greater efficiencies, and that is the way I think a prudent shareholder would demand of managers for them to put their act together before they would actually stump up for any fine. We think this works quite well with Network Rail.

Q506 Graham Stringer: That is a surprise, is it not, that the chairman says, “You can’t be doing something wrong, so I will put it right”? It would be very surprising if he had said, “I’ll carry on doing exactly what I was doing before.” I understand the integrity of your argument and the logic of your argument, but you have not dealt with the real question, which is at the back of all regulation of private monopolies, that somebody loses financially. You have not answered the point. Those £5, £10 notes, whose wallet do they come out of? What you are saying is, “We shout at Network Rail a lot. They say, ‘We’ll get better.’” But who financially loses?

Mr Bolt: I recognise it sounds a very complex argument —
Q507 Graham Stringer: No, it is a simple argument. It is just irrelevant, because nobody is being financially penalised?

Mr Bolt: If Network Rail does not put these problems right, then taxpayers’ money will go on future failures, future overruns, more compensation for the train operators. We expect Network Rail to deliver the investment programme it has got more for the train operators. We expect Network Rail to future failures, future overruns, more compensation problems right, then taxpayers’ money will go on passengers.

Q508 Graham Stringer: Mr Bolt, I do not doubt that you are trying to make Network Rail more efficient. I accept that is your job and you are trying your best to do it. What I am really saying is, Network Rail has made some improvements from the days of Railtrack, but what I really doubt, apart from warm words, is the effectiveness of your correspondence with them when nobody is actually hurt in the wallet, purse or bank balance.

Mr Bolt: I think that goes back to the questions the Chairman was asking about governance issues. The real issue here is what is the mechanism for ensuring the senior managers of Network Rail put right the weaknesses we have identified. Yes, there are clearly differences in a shareholder-owned company where shareholders will bring an additional pressure to bear beyond simply the actions of the Regulator.

Q509 Graham Stringer: What I am profoundly sceptical about is that your correspondence and fining the taxpayer, or fining a public body, is as effective as fining individuals. I would be interested to see what evidence you have of that, because from the days of Railtrack to now Network Rail has improved but clearly its costs are about, in round terms, three times higher than they were ten years ago, are they not?

Mr Bolt: Costs have increased very significantly.

Q510 Graham Stringer: That figure is about right. The costs of Network Rail—I read the literature, I read the magazines—are about three times higher than they were before privatisation. You fined them, whatever it was, £15 million, or thereabouts. You are not going to have the same impact, are you, as if there were shareholders or if there was direct Secretary of State responsibility? We have got a hybrid model which does not work, does it?

Mr Bolt: We have got a structure which, as I have said, is different from one where there are shareholders also bringing pressure to bear on management. We work within that framework. We remain of the view that a fine, as part of that package, will increase the likelihood of the senior management of Network Rail, with its board, taking responsibility for their actions. We will address these issues more readily—

Q511 Chairman: Does that not depend on where you are going to take the fine from, Mr Bolt? I think that is the point that we find it difficult to get our heads around. If you fine me because I park a car in the wrong place, it comes out of my pocket. It is not something I can pass on to somebody else. Now, this lot, although they have done a lot of good things—and you have been very clear that you are very pleased with the fact that they have done a lot of good things—nevertheless they have got themselves into a major problem. We are not talking of a small inconvenience for one or two people. They have got themselves into a major difficulty over Christmas and the New Year. You set out in considerable detail what was wrong right from the summer, when they did not check even on their own contingency plans. You fined them because they are not doing the job. Now, all we want to know is, when it comes down to it, who pays that? Is it taken out of their budget, is it taken out of their overheads, is it taken out of the pay of the directors and the board? Who pays?

Mr Bolt: I have no doubt that when the bonuses of the senior management are decided, the fact that Network Rail has been found in breach of its licence will affect those bonuses. In the first stage, the cheque which will be sent to the Secretary of State for Transport for £14 million will come out of Network Rail funding. The key question then is, what do they do to react to that? If the consequence is that—

Q512 Chairman: You are starting all sorts of interesting hares running here, Mr Bolt.

Mr Bolt: If the consequence is that Network Rail deals with the problems, it has got a better chance of delivering—

Chairman: Yes, I think we have understood what the effect of responding to the fine will be, but we have not quite got there yet. We will come to you, Mr Emery.

Q513 Graham Stringer: You are putting forward a view that this model can work. Can you point us to a similar model anywhere in the public sector where a body with members who have very little powers and no shareholders works? Is there a model where you can say, “This has worked effectively,” a monopoly provider on this model that works?

Mr Bolt: I think it is fair to say there is no company that looks quite like Network Rail, but there are other examples, including publicly owned regulated companies like the Post Office where similar action by regulators has been taken to enforce improvement and delivery.

Chairman: The Post Office might not be a very good example just at the moment, Mr Bolt, since they are closing down so many we shall almost finish up with nothing!

Q514 Chairman: One final question on this. There is no direct comparator. Is it within your remit to recommend to Government a different structural arrangement or a different governance of Network Rail?

Mr Bolt: Clearly the governance of Network Rail is a matter for its members as owners of the company, subject to the restrictions, which include the Secretary of State having the final say on some of the changes to the Memorandum and Articles of the company.
Q515 Graham Stringer: I am sure you are trying very hard to answer my question, but you did not. Is it within your remit to make a recommendation on the governance and the structure?  
Mr Bolt: If we believed that the only way of Network Rail addressing the weaknesses we have identified was to look at the structure, we would do that, but as I said in answer to a previous question, we believe the company as it is currently structured is capable of delivering the improvements we are looking for.

Q516 Mrs Ellman: How many times has Network Rail breached its conditions?  
Mr Emery: There is a number of instances where we have found it in breach of its conditions. Six or seven, I think it is, I am not quite certain of the total list of them. Basically, on timetabling, on information, we had it on Portsmouth and we have had it again here on two counts on this one. So it has breached it, but that has, of course, got to be set in the context that the overall performance of the company is marginally ahead of the expectations the Regulator set it.

Q517 Mrs Ellman: Yes, but I do not think all those passengers inconvenienced over the New Year were interested in that. We are looking at the problems here. What would you say Network Rail has learnt from the overrunning in Portsmouth last year?  
Mr Emery: It has certainly addressed a number of issues around its approach to signalling and signalling contractors, and put in place a whole series of steps. My colleague, Michael Lee, is in a position to go into some detail on these matters, having looked at it, as to what they did in the light of Portsmouth on the signalling side of their business. We did not do it wider.

Q518 Mrs Ellman: Were any of the problems which arose over Christmas and the New Year related to what went wrong at Portsmouth?  
Mr Emery: Yes.

Q519 Mrs Ellman: So it had not learnt them?  
Mr Emery: It had not learnt them as fully as expected. That is one of the reasons why we took this as quite a serious breach and took the action we have taken, because the signals were there—the expectation from the Regulator and the expectation we had, that Network Rail told us they were taking this in a wider context and a narrow context, and it did not do that and that aggravated the position, in our terms.

Q520 Mrs Ellman: In the written evidence you have given to this Committee, paragraph 13, you say that you endeavour to align incentives so that the industry works in partnership to deliver. That has failed significantly on seven occasions in relation to Network Rail, and we are looking at specifically what happened over the Christmas period. So was this partly your failing as well? Was it that you did not exercise your powers, or is it that you need new powers?  
Mr Bolt: I do not think it is a matter of powers. There are clearly issues around the incentive structure on Network Rail which do not align incentives in the sense of delivering performance, giving the same incentives to Network Rail to respond to growth in demand, and those are some of the issues we are addressing as part of the current periodic review and we will be publishing our draft decisions in June, which will include changes to the charging and incentive structure to improve that alignment of incentives.

Q521 Mrs Ellman: So you are saying that you do not need any additional powers to do your job more effectively?  
Mr Bolt: I do not believe this is a matter of powers. Of course, all of us learn from experience and unfortunately it is when things go wrong that you get often the best learning.

Q522 Mrs Ellman: So what would you say you have learnt from these seven major errors, and particularly the error that happened over the New Year?  
Mr Bolt: I think on these issues the lessons as set out in this report are that the failings which we identified at Portsmouth, where we took the initiative to look at that, not as a result of complaints by train operators, is that the issues go broader than Network Rail itself had thought, as Michael Lee could describe, if that would be helpful. The different examples over the New Year showed a wide range of failings. They were different in the different cases and that actually goes to the heart of the way Network Rail plans and manages its capital investment programme.

Q523 Mrs Ellman: In looking at the way Network Rail is addressing completing the West Coast Main Line organisation, are you satisfied with the plans they have put forward to date?  
Mr Bolt: I will ask Michael Lee to answer that, because he has been talking to Network Rail and the train operators.

Q524 Chairman: Mr Lee, could you answer that very briefly in perhaps two minutes on the differences and then go on to the West Coast Main Line?  
Mr Lee: Certainly, Chairman. At Portsmouth what we saw were specific weaknesses in the risk assessment of a job that was a signalling job, a job where if they ran into technical difficulties halfway through it was likely to be a long time before those difficulties could be properly resolved, which indeed is what we saw and services ran at a reduced level for months. We saw problems with reliance on a new supplier in the UK signalling market. Network Rail, we believe, recognised the specific problems which had caused the trouble at Portsmouth and responded to those, but it interpreted this in a relatively narrow sense. It changed its contracting strategy in the signalling supply market in particular, with the supplier in particular, whom it still wants to work with but will work with in a different way, and it made sure that it was
conducted better risk assessments for that particular sort of project. What we saw in the New Year was on a project which was essentially about re-wiring, overhead electrification, no signalling content at Liverpool Street, the risk assessment again there was poor. The dependence upon the suppliers was too great and Network Rail, therefore, was unable to identify when things began going wrong and put them right quickly and communicate with its customers. In Glasgow, we found a project which was primarily a track project but which had a key signalling element. The risk assessment of that was poor because the project had not been identified as primarily a signalling project. So what we were seeing was that quite generic weaknesses had been dealt with by Network Rail in the response to Portsmouth as if they were very specific, and that is one of the reasons why this time around—

Q525 Chairman: So have you got the message, Mr Lee? Now come to the West Coast Main Line.

Mr Lee: On the West Coast Main Line, Network Rail itself has acknowledged that it does not believe the programme as it was in place at the turn of this year is any longer sufficiently robust to work to and to deliver the improvements by December.

Q526 Chairman: I am glad they caught up with that, because one or two of us got that view some time ago. Never mind, do carry on.

Mr Lee: So they have now been looking very hard at a number of alternatives to that programme but they have not yet announced to anybody or come to us and said which is their preferred way forward to make sure that they can go ahead on the basis that that is robust and that it will deliver.

Q527 Chairman: How many weeks have we got until Easter?

Mr Lee: The work at Easter they have taken specific measures on. They have de-scoped their plans for Easter. They have increased the time—

Q528 Chairman: De-scoped. Do you mean they have cut various things out of it?

Mr Lee: They have cut various things out of it to reduce the risk of an overrun at Easter. We have held a review with Network Rail and with all of the operators who are affected by the West Coast works over Easter and they have all told us, as has our reporter, that to the best of anyone’s knowledge at the moment the plans for work at Easter look robust. We do know there is more work to be done and Network Rail and the operators are meeting today to do this, to make sure there are proper arrangements in place for handling passengers who are going to be affected by the engineering over Easter. But all the steps that could be taken at this stage are being taken to make sure there is no repetition over Easter of the New Year experience.

Q529 Mrs Ellman: In the report you have produced about what happened you identify a shortage of certain areas of skilled workers and also major management problems. What is the balance of those two things? Is there a genuine shortage of the overhead line workers and other sectors?

Mr Lee: I think it is very clear that the number of overhead line workers available is a constraint on the amount of work which Network Rail can do simultaneously across the network. They identified this before Christmas. They de-scoped again. They took elements of work out of their Christmas programme because they could see there were not going to be enough electrical engineers to do it all. What then caught them up was that despite having had the names of all the people who were supposed to turn up at the key sites, fewer than 100% turned up and the ones who did turn up worked for a lot less than the hours they had been expected to work for, and that caught them right out. It would have caught, I think, anybody out without the benefit of 20:20 hindsight.

Q530 Chairman: I am sorry, that is not quite right, is it? Your report does not say that, actually. It says that early on it asked for lists of names and asked for the numbers of their passes, but it did not do anything else after that. It did not check the contractors. The contractors did not have enough supervisors on site. So it was not quite as simple as that, was it?

Mr Lee: That is absolutely right. They took more steps before Christmas—

Q531 Chairman: I have read it. It is a very good report, Mr Lee! I approve of it. I have read it. You will find me quoting it!

Mr Lee: Thank you. They took more steps before Christmas than they had taken before. In the light of what happened at Christmas, they are going further again.

Chairman: I do not find that a very good comparison, really.

Mrs Ellman: It has also been suggested that management was deficient in many ways, including a failure to report significant problems in time for remedial action to be undertaken. What is happening to deal with that?

Q532 Chairman: Mr Lee, do you have the solution?

Mr Lee: I am quite sure that Network Rail’s management presence will be very much heavier and very much more on top of what is happening at Easter. They are fully aware of the consequences if there were to be a repeat.

Q533 Chairman: That is good, because the chairman was not available for four days at all over Christmas, so anything is an advance on that, is it not?

Mr Lee: What we have asked them to do as part of the order we had made, the enforcement order, is to pick this issue up amongst all of the others we have identified—the risk assessment, the communication to operators—and to come up with a really good plan to make sure this is dealt with consistently across the company on all of their engineering
projects. We are not pretending that is something which can be put right overnight, but we want the plan by the end of May.

Q534 Mrs Ellman: You said they have a lot of managers, but it is not just to do with numbers, is it? Is it not competence as well?

Mr Lee: Competence is necessary to do that work. Enough managers is necessary to know what is going on and to act in response to it when it happens.

Mr Bolt: If I could briefly just add to this? I think it is clear that Network Rail has taken additional steps to minimise the chances of any problems at Easter. What we are saying in this report is that as well as dealing with the failings from last time, it needs to do more to look ahead and anticipate through better risk assessment things which might go wrong in future, and our concern is that their response should be a broad one rather than simply dealing with particular problems, which was the experience at Portsmouth, which they viewed too narrowly. We do not want them to view the failings over the New Year simply as a problem of insufficient overhead line engineers.

Q535 Mrs Ellman: What about the issue of informing the train operators when there is going to be a problem? Was there a great reluctance to do that, was there not, again identified in your report?

Mr Bolt: Yes, and that is why we have highlighted that issue. I think there was a problem. Even within Network Rail senior management were unaware of the scale of the problem early enough. So it is the reporting from people on the site to the senior management, and then the communication onwards to train operators. That is, as Michael has described, one of the areas where we think Network Rail has put better steps in place for Easter. We need to make sure that is carried across all of its projects.

Q536 Mr Martlew: On the modernisation of the West Coast Main Line and looking towards the future, the “de-scoping” (which I think is the term you used) means they are doing less work, does it not? Now, we have a timetable—and we have all suffered trying to get it right, or not getting it right—which is due to come in at the end of this year. If you keep on de-scoping, that means you are going to have more massive disruption of the West Coast Main Line between now and December, or somebody has got to take a decision that the programme will not be completed by December of this year and give us another date. What is your view on whether this can be completed by then?

Mr Emery: We have asked Network Rail to come forward with a coherent plan by the end of this month. Our discussions with Network Rail and discussions with Mr Coucher indicate that he is well on the way towards coming forward with a plan which provides for additional time during already booked weekend possessions, some three or four days extra work, and they are working with the train operators and the freight operators to find a way in which they can get to December 2008 in a robust way. It is quite important. The train operators want it, Network Rail wants it, the Department wants it. There is a huge stream of passenger benefits which come out of getting the new timetable running.

Q537 Mr Martlew: If that happens, there is going to be more disruption this year, and if you accept that plan and it does not work will you accept some of the responsibility for it?

Mr Emery: Certainly. In a sense we are, as a regulator, looking at these things and if a plan comes to us and we broadly endorse that plan and accept that plan as the plan and have no change to the regulatory output, then of course as part and parcel of the whole railway network our reputation will suffer. But the responsibility, of course, on delivery of this rests with the infrastructure manager, Network Rail, to do the job properly.

Q538 Mr Martlew: Just finally, would it not be better to give some leeway on this one and postpone that timetable for perhaps six months?

Mr Emery: I think you just have to look at the implications of that. Mr Coucher tells me that if that happens, that will have a knock-on effect on a whole series of work elsewhere and it will have a knock-on effect on the loss of revenues elsewhere, and those things. So this is not a simple delay, it has an effect, and I think that is the point. There is quite a lot of commitment across the whole rail industry to get the West Coast modernisation programme delivered in December.

Q539 Mr Clelland: I just want to come back to the point which was being made earlier about who feels the pain when a fine is imposed on Network Rail. Mr Bolt seemed to want to avoid the obvious answer and said something about how it might affect end-of-year bonuses. I assume he is talking about bonuses to directors and senior management. Who is it who decides whether bonuses will be paid and what the level of those bonuses will be? Does your office have any influence over that whatsoever?

Mr Bolt: The decisions are taken by Network Rail’s remuneration committee. The management incentive plan which they operate has to meet certain criteria which are set out in the licence, including reflecting regulatory targets. So that has got to be a key part of what determines bonuses. We do not get involved in taking the decisions, but we do draw the attention of the remuneration committee, we write to the chairman of the remuneration committee every year and meet him to set out our view of Network Rail’s performance, and clearly where there have been licence breaches—and we have said there has been a serious licence breach on this occasion—that is a factor we will make very clear to the remuneration committee and we expect them to take account of that.

Q540 Mr Clelland: So we will all just have to wait with bated breath to see just how seriously Network Rail takes this problem?
Mr Bolt: We believe they will take it seriously. I am not going to predict what effect that will have on bonuses, but I would expect a serious breach of licence to have an impact on the bonuses paid to Network Rail’s senior managers.

Q541 Clive Efford: Just to follow on, on that, because I think anybody listening to you would be astonished that there is an assumption that there will be bonuses. Can you explain just how this process works and, if you know the criteria by which their bonuses are set, whether they have already breached it so far that you can be confident there will not be any, because I do not think the public is going to accept that?

Mr Bolt: I think what we have to recognise is that Network Rail is outperforming some of the regulatory targets. The target for delays on the railway, which was set at the last charges review in 2003, Network Rail is outperforming that, and within the management incentive plan that would point towards a certain level of bonus. Where there has been a serious licence breach, we would expect that to result in a reduction, a significant reduction, in the bonuses which would otherwise be payable, but the precise decision is for the remuneration committee.

Q542 Mr Clelland: But how do we know what the bonuses were in the first place to know whether they have been considerably reduced?

Mr Bolt: I think there are questions about the transparency of that process, and that may be one of the issues which we want to pursue as part of the review of the licence conditions relating to governance which I referred to earlier.

Chairman: It may very well be one of the things we shall encourage you to review, Mr Bolt!

Q543 Clive Efford: Could I just clarify something. Mr Lee? The Easter programme of work: you said that the failure of engineers to turn up would have hit anyone who was in that position, yet you have said that you think the management is in a position now which is robust enough to actually make sure the same problems are not repeated at Easter. But if it is true, as you say, that no one could have withstood the problems which occurred, how can you make that statement? Have you spoken to the engineers who did not turn up?

Mr Lee: No, I think the point I was making was that in the run-up to Christmas Network Rail was taking steps it had not taken previously in terms of getting names for overhead electrification engineers, and I think it could reasonably have expected that to be sufficient to ensure the resources would turn up. In the light of Christmas, they know it is not sufficient, so at Easter they are going further. They are getting PTS Sentinel card numbers, they are getting telephone contact numbers, and they will be seeking an altogether greater degree of assurance that they have got more than the name.

Q544 Chairman: We will come on to site management. We may have to leave you quite soon. Just before we continue, Mr Emery, you talked about the plan being produced by the end of this month. The proposed order says Network Rail has to produce a plan by 31 May 2008.

Mr Emery: There are two plans, two requirements. There is a requirement for Network Rail to come forward with a robust programme to complete the West Coast modernisation project by the end of this month and there is a plan which will require Network Rail by the end of May to come forward with a way in which it is going to address all the points and weaknesses and shortcomings we have identified, and then implement that plan by December.

Q545 Chairman: So the first one is the restricted one, the second one is the basis of your report?

Mr Emery: Yes.

Q546 Mr Hollobone: On the wider plan, the Office of Rail Regulation is going to monitor Network Rail’s performance against that wider plan and you are going to ask your reporter, Halcrow, to undertake a fuller audit of Network Rail’s progress by this time next year. What are the key milestones you would expect Network Rail to have achieved when Halcrow goes into audit progress in a year’s time?

Mr Bolt: Clearly, the detail in the plan is for Network Rail to propose in the first place. What we are not going to do is simply to receive a plan in May, wait until December and then see whether everything is working. So I would expect our involvement to be a more continuous one, taking a view in May as to whether the actions look reasonable and are likely to address the weaknesses we have identified, to see some staged implementation of that, and then the audit after December is on whether not only have they done what they said they would do but have those changes had the effect they expected them to have.

Q547 Mr Hollobone: So if the plan, when submitted at the end of May, is not satisfactory what would you do?

Mr Bolt: Then they will not have complied with the terms of the enforcement order, and without predicting exactly what action we would take that is a very serious failing for a company, not to meet the terms of the enforcement order.

Q548 Mr Hollobone: Okay. Let us say they knocked together a reasonable plan at the end of May, you are happy with it and you then begin to monitor progress. What action will you then take if Network Rail cannot demonstrate sufficient improvement against that plan by this time next year?

Mr Emery: There is the step, of course, that we require Network Rail to report completion of this plan at the end of the year, so there is a requirement for it to have made its assessment of compliance, that it has delivered the plan. Clearly, if it has not addressed these matters and our audit shows there are weaknesses, then we would take that as a serious
failure by Network Rail and address the matter if that happens. But we do not anticipate that that will happen. Network Rail has a very good reputation, when it is set a tight target and expectation, of delivering to it.

Q549 Mr Hollobone: If in the meantime there are more serious overruns, what will you do?

Mr Bolt: We have said in announcing the penalty that each of the failings was capable of being considered as a licence breach individually. We actually looked at them together and said that there is a continuing breach. If there is another failing, we will have to look at that, as to whether individually it reflects a licence breach or whether it is simply that some of the weaknesses we have identified are still being put right. I would not want to predict what action we would take, but clearly we will be looking for an assurance that the problems this report identifies are being taken seriously, that the plans for individual programmes of work are being assessed much more thoroughly on the lines of the Easter programme which Michael Lee has described and that the chances of that sort of overrun are reduced.

Clearly, Network Rail has recognised that it does not want to be in that position and so, as we have said before, I think their senior management are seized of the need to address the weaknesses.

Q550 Mr Hollobone: So you would be prepared to notify a further licence breach during the plan implementation period if you felt the overrun was sufficiently severe?

Mr Bolt: That is a possibility, yes.

Q551 Mr Hollobone: You have acknowledged in the report that the current rate of investment in rail infrastructure, as we all know, is unprecedented, but combining the successful delivery of such large volumes of engineering across the network whilst retaining continuity of service for rail users is clearly a challenge for Network Rail, one which it clearly has not met. What steps do you expect Network Rail to take to better balance the need to ensure continuity of service, whilst increasing the volume of project work which needs to be completed?

Mr Bolt: That is clearly one of the key issues for us looking at the next five year programme, the deliverability of that programme of works—it picks up some of the points earlier on the West Coast—in a way which allows trains to operate, albeit sometimes at a reduced frequency, and the detail—

Mr Emery: One of the changes we are proposing in the requirements for Network Rail for the next control period (which starts in 2009 and which is what we are working on through the rest of this year) is for there to be a network availability measure, which in simple terms is how long the railway is open for business. Having addressed, say, the issue about possessions and their overruns and got that right, then the question is, how many possessions have you got and how much is the railway going to be open progressively more and more? So that is going to be the regulatory mechanism, at a national level and at a local level, as to what Network Rail should work to so that it does not take an ever great amount of possessions and so that it does the work by not allowing trains to run. That is the key mechanism we are going to be using as a metric to drive Network Rail to keep the railway open progressively more through the period and deliver the work within the time it has available for its possessions.

Q552 Mr Hollobone: My last question is, have you written to the chairman of the remuneration committee enclosing your report and have you said to him what you have just told this Committee, that you would expect future bonus payments to be affected by the findings you have discovered?

Mr Bolt: The general points we have made to the chairman of the remuneration committee before. We will be writing at the end of the year with a summary of our view of performance over the whole of the year, but clearly including all of the findings in this report.

Q553 Mr Clelland: Gentlemen, your office welcomed the longer term strategy for the railways which was contained in the White Paper, but do you think this White Paper is visionary enough? It takes a long time to plan and build rail infrastructure. Does the White Paper provide the kind of long-term vision which will be necessary to develop a railway fit for the middle of the twenty-first century?

Mr Bolt: The White Paper, for example, talks about a possible doubling of the number of passengers over the next 30 years and says “but the growth may be more”. I think what we do not have at the moment is a clear view of how that sort of increase in passenger numbers could most effectively be handled. What we are expecting—and this is a point we reflected in our evidence and which we have discussed with both Network Rail and the chief executives of the franchise-owning groups—is how the industry can look at those challenges, and that is Network Rail with operators representing the interests of passengers with the supply industry running stock companies and others, to come up with its own plan which can be delivered so that for the next five year period the next time the Government produces a high level output specification it is doing that on the basis of a proposal from the industry as to what is achievable, and then it can take the view about whether it wants to spend money on railways to deliver that capacity or some other mode. That, I think, is the right role of Government. It is not for Government to say what should be done in detail. The industry needs to take more responsibility. There is not enough detail there at the moment. The industry is starting to work on issues like infill electrification and it is entirely right that they should take the lead and put proposals to Government of that sort.

Q554 Mr Clelland: But should ministers, who are responsible for drawing up these White Papers, not
be more proactive in shaping developments rather than just reacting to them?

*Mr Bolt:* It is the role of ministers of government to set out the strategy. It is not, in our view, the role of a government department to say what investment should be carried out to deliver that sort of strategy. That is what the industry needs to come together and propose, and we have not yet had an industry plan for the longer term. Network Rail’s plan for the next five years is, for the first time, more of an industry plan. We required them to work closely with train operators to validate the proposals there, so it is not just an engineering plan. We need to extend that looking at the longer term.

**Q555 Mr Clelland:** Is Network Rail best placed to be innovative and come up with exciting new ideas, or are they just managing what they have got?

*Mr Bolt:* What is clearly important is, as you say, that there are new ideas which are looked at as part of that longer term planning. We have certainly taken a review as part of this price-setting round on some of the things which are done elsewhere in the world which allow railways to operate more efficiently which Network Rail could adopt. Network Rail itself, working with its train operator partners, with the supply industry, are best placed to—

**Q556 Chairman:** Mr Bolt, I am going to stop you there, because I am going to ask some quick questions and then, with any luck, we will allow you to escape. Is it ever going to be acceptable for Network Rail to rely on its suppliers and contractors to self-certify?

*Mr Bolt:* In the context we have identified in this report, we are saying self-certification cannot be relied on to the extent Network Rail has.

**Q557 Chairman:** So you are recommending to them very specifically that they should not proceed along those lines?

*Mr Bolt:* We will expect that to be one of the issues they address in the plan at the end of May.

**Q558 Chairman:** Are Network Rail’s own on-site managers sufficiently well-trained and experienced to handle projects of this magnitude?

*Mr Bolt:* That, again, is one of the issues we will expect Network Rail to come back to us on. The practice has clearly not been what train operators and passengers need.

**Q559 Chairman:** You seem to be suggesting that they should be looking at a kind of consensual model rather like that which was used for building Terminal 5, but is there not one major difference? If Terminal 5 had got behind, it would not actually have stopped British Airways running flights, whereas if in fact Network Rail fails to get itself organised then they do actually stop the railway system working.

*Mr Bolt:* Absolutely, and that is why Network Rail needs the targets for network availability which Bill Emery has described and why it needs to be clear that it has got the procedures which will enable it to deliver that.

**Q560 Chairman:** But when things are going wrong, you have said yourself they do not want to tell one another. They certainly do not want to tell their bosses. Did this affect Bechtel’s project management staff as well as Network Rail’s own project managers?

*Mr Bolt:* Clearly Network Rail’s senior management were not getting an early enough indication of the problems at Rugby and Liverpool Street, for example.

**Q561 Chairman:** Then would it not have been better for them to have someone senior on site at both of those sites?

*Mr Bolt:* I think that will be part of what we expect to see in the future.

*Mr Emery:* I think actually from my discussions with Iain Coucher just recently he is asking, particularly on the Easter shutdown, that the area general managers will be involved in this so that when they are working on projects and there is a wish to complete on time that does not overtake reality and that there is a reality check built in from a senior manager at Network Rail as to whether what they are hearing is realistic or whether they should start to plan for some contingencies. That is what he is saying.

**Q562 Chairman:** It is not just him, is it? There was the shambles of the train operating companies not telling the passengers. The information systems did not work. Nobody knew what information they were putting in. If they got correct information, they had nobody who could put it on the machines. It is not just Network Rail, is it? It is a series of quite massive failures, and this in an industry which is getting really massive investment. So are you convinced that by the end of this month you are going to be given clear answers?

*Mr Bolt:* By the end of May we are expecting clear answers on how the weaknesses here will be addressed. We will then take a view on whether that is adequate to deal with all the issues, including obviously the ones you have identified, to make sure that passengers get trains when they expect them and if, unfortunately, things go wrong that they have timely information on what the alternatives are in a way which did not happen over the New Year.

*Mr Emery:* One of the things we have not picked up here is that we are requiring Network Rail to develop these plans in consultation with its train operating partners, so that they are aware of how it is going to work in terms of the information flows from the possession sites to the train operators, so
that they do get it. We want them to actually work with them, so that it is a plan which both the train operators understand—

Q563 Chairman: But they have been working, presumably, together for some considerable time because Network Rail was not created yesterday, so why do you think they are going to behave any differently now?

Mr Bolt: We certainly expect that the action we have taken will focus Network Rail’s mind on these issues and we will continue to have dialogue with train operators to get their views on whether the changes Network Rail is making are addressing those issues, primarily to make sure there are not overruns, but recognising that unfortunately things do go wrong unexpectedly on occasions and if that may happen that there are proper contingency plans and effective arrangements for communicating with passengers.

Q564 Chairman: All of this depends upon your ability to enforce the terms and conditions of the licence. Have you looked at clauses 68 and 69 of the Regulatory Enforcement and Sanctions Bill?

Mr Bolt: We have looked at the Regulatory Enforcement and Sanctions Bill, yes.

Q565 Chairman: How is it going to affect you?

Mr Bolt: We operate clearly within a whole set of statutory functions and duties. I think, from memory, those are the clauses about not imposing unnecessary burdens.

Q566 Chairman: That is exactly right, with a duty not to impose or maintain unnecessary burdens.

Mr Bolt: We already have a duty to impose the minimum restrictions on licence-holders consistent with them delivering their duties and we obviously look at whether the actions we take are proportionate to the delivery of, in this case, Network Rail’s obligations. We do not think we are imposing any unnecessary restrictions, any unnecessary burdens, and indeed if we think the only way of getting Network Rail to deliver what train operators and passengers expect of it is to impose additional burdens we will do that because they will not be unnecessary.

Q567 Chairman: When you came before us last time you said that some questions remain about “the appropriate investment for the longer term” to allow for a doubling in passenger numbers of the next 30 years. What specific areas did you have in mind?

Mr Bolt: I have alluded to one of them already, the potential for additional electrification, but Bill is closer to the detail of the planning.

Mr Emery: Certainly, I think there is a limitation on where you can go to on the current network and removing all the pinch-points or addressing pinch-points tends to be the strategy for the next five years. Then you do start to look at when you get to line duplications or other lines and electrification. Those are the issues which need to be addressed by the industry, in our terms, as a lead up to decisions which will be expected from ministers in 2012/13.

Q568 Chairman: Do you think you have got five years to do that planning? Given the time it takes to develop extra capacity, do you think five years is enough to play around with the pinch-points while we run out of capacity in the future?

Mr Bolt: We have clearly got from ministers the high level specification of the outputs they are looking for over the next five years and we will make sure that Network Rail’s plans deliver that.

Q569 Chairman: That is not very exciting really, is it?

Many of us would think they were fairly minimal expectations.

Mr Bolt: Well, I think there are two additional points. One is, we are looking as part of the incentives on Network Rail to increase the incentive on them to work with train operators even within the next five years to accommodate a growth in traffic, but the key point is that because of the lead time in railway investment projects the industry needs to start now to plan for the next high level output specification. If that planning starts now, then we can hit the ground running in five years’ time. If we wait five years, then I would certainly agree that we will find real problems.

Q570 Chairman: Mr Bolt, this is my final question because I want to allow you to escape. A lot of the things you highlight in your report are really fairly clear instances of an industry which is totally fragmented still, where people do not routinely work together. I cannot imagine a major engineering scheme where you run out of materials because people cannot deliver them on time although you have had months to order them, where you do not know how many people are actually going to turn up, where you do not have sufficient supervisors, where the supervisors who are there only seem to be working 50% of the time and where your contractors seem to be cheerfully inured to any criticism which may be directed to them. Can you really tell me that this is an industry which is working together, because it seems to me that what you are highlighting is an industry which has forgotten how to work as an integrated railway industry whose first commitment is to keep trains running and passengers carried? In all the discussion of this there has been no clear indication that the train operating companies, the information services or anyone involved in this even considered the ways in which they should really genuinely keep the railway running for the passengers. Everything else came first.

Mr Bolt: We are making it absolutely clear to Network Rail that it is there as part of the supply chain to deliver services to train operators to allow train operators to run trains. That is the key point. The failings we have identified in this report, with the one exception of information timely being provided to passengers, are wholly Network Rail failings—
Witnesses: Mr Colin Foxall, Chairman, Passenger Focus, Mr Brian Cooke, Chairman, London TravelWatch, Mr Roger Turner, General Secretary, UNITE—The National Federation of Royal Mail and BT Pensioners, Mrs Sue Sharp, Head of Public Policy and Campaigns at The Guide Dogs for the Blind Association, gave evidence.

Q571 Chairman: Well, the train operating companies do not come out covered in roses, do they?
Mr Bolt: They were unable over the New Year to tell passengers what trains were running because they were not being told by Network Rail when the network was—
Q572 Chairman: And when they got the information they did not know how to get it out?

Mr Bolt: As we took action a few years ago on the advanced provision of timetable information, there may be questions about how information is passed from Network Rail to train operators, and we will be encouraging them to look at those issues as well.

Chairman: There may indeed! Gentlemen, you have been, as always, very interesting and helpful. Doubtless we shall be discussing these things again, so do not go too far! Thank you very much for coming.
certainly asked them about those forecasts. They believe them to be so, but we have to bear in mind that the track record on forecasting has not been that great in the not very recent past. If we look at the SRA’s forecasts in the last few years of the SRA’s existence for certain franchises, they were certainly clearly away from what is actually being realised. I think there is considerable doubt about whether there will be enough capacity, and I think that is a fact the Department is aware of. It accepts it. It knows that it may not be the right figure.

Q579 Mr Hollobone: Is it true to say that the Government’s method of demand forecasting fails to take into account areas of strong housing growth and industrial development?

Mr Foxall: I cannot comment on the detail of how they look at, for example, planning assessments and things of that kind.

Q580 Chairman: Has anybody got a view on that?

Mr Turner: No, I do not.

Mr Cooke: Not really, Chairman, but I think there is some evidence that some of those things have not been taken into account. One other thing I would like to comment upon is that the White Paper talks about returning the balance of subsidy and fares to historical levels, but in fact there has been 80 years of a balance between that and it does not define which part of those 80 years is the historical level, and one could read that in any number of ways.

Q581 Mr Hollobone: Based on the demand forecast the Department has, the White Paper specifies that 1300 new carriages will be purchased to relieve congestion, predominantly on urban services. Will these 1300 new rail carriages promised in the High Level Output Statement be enough to relieve overcrowding?

Mr Cooke: We believe that in London and the South East—and since the White Paper and since our submission we have now seen a broad brush outline of where those additional vehicles might go, but in fact at best it will only cope with the increase in demand. The increase in demand at the moment is going at about 6% and these carriages are only due to come on-stream between now and 2014, and we do not believe they will relieve any overcrowding. At best, they will only cope with the increase in demand.

Q582 Mr Hollobone: Moving on to high-speed rail, the White Paper accepts the conclusions of the Eddington Transport Study that high-speed rail will represent poor value for money in the UK. To what extent was Eddington’s assessment of the suitability of high-speed rail to the UK correct?

Mr Foxall: We certainly contributed to his review and gave him a certain amount of oral and written evidence. The principle of high-speed rail we support and believe indeed it is a good thing, but there are certain concerns we have about it. One is accessibility. What are you going to charge for it? In other words, what is it going to mean for the travelling public? Is it going to be a premium service? That may be taken care of, perhaps, by competition with the airlines in terms of the actual price which you have to pay. The other main concern we have is that it does not detract from taking care of, as it were, the day job, looking after the rail network as it stands at the present time; in other words, it is true additionality. We have a slight concern at Passenger Focus that that is a risk. So whilst we support the principle of high-speed rail, we want to be clear that it is not going to impinge adversely on expenditure you might make elsewhere. So you could look at it in the sense that we are saying if Eddington is right, then you do need to take care, but it is very difficult for us to make a judgment about whether Eddington is right or not, frankly.

Q583 Mr Hollobone: What is your view, if I can just try and pin you down a bit more? Would rail passengers like to see investment in high-speed lines even if it was a premium service?

Mr Foxall: Research on it does not leap out and grab you by the throat and convince you that that is the case, I am afraid. I suspect you could research this subject and produce the kind of results you would like to produce, but the best results we have around do not show a great correlation between passengers’ desire to travel a bit faster and being prepared to pay more. What they are primarily interested in are the things they have been interested in for quite some time, that is that trains should leave on time, arrive on time, that the journey should be uneventful, that they should get a seat and that the train should basically be clean. These are not rocket science issues.

Q584 Chairman: It sounds terribly revolutionary to me!

Mr Foxall: It is very revolutionary, and that is basically all that we want, subject to one other thing, and that is that they get value for money.

Chairman: That is also revolutionary!

Q585 Mrs Ellman: Do you have concerns about the future of Saver fares?

Mr Foxall: We have had discussions, which I think is fairly well known, with the Department about the future of Saver fares and we have said that we believe Saver is a very important fare and we think it should continue. We recognise that there are issues surrounding Saver fares and the current Saver regulation because it is not perfect, it is not universal and maybe you need to change things, they cannot be preserved in aspic. But what matters is that there should be a walk-up discount fare which allows people access to the railways at a reasonable price, and it is essential that whatever the Department has in mind for Saver fares takes that into account and ensures that happens. So yes, we have some concern. We do not have the concern that they are going to disappear tomorrow, but we are concerned to always make sure the Department understands that passengers value those fares highly and that they continue.
Q586 Mrs Ellman: Do you feel that you have sufficient access to Government to put your views?  
Mr Foxall: Yes. I think it is one of the few things that I would not criticise the Government about. Passenger Focus has very good access, it is seen regularly by ministers and that is useful. It is an important thing that we are able to do, because we are able really to present the passenger view which otherwise, I suspect, might not get presented when the Department is looking at issues and making passenger specifications, for example, on franchising.

Q587 Chairman: Can I ask Mr Turner the same question.  
Mr Turner: Yes, we have good access to Government. We have access through our stakeholder group, which has been established for over two years, where we have an MP, in fact your Chairman attended a meeting last year and the minister has come twice. It is a very informative group, and I think that is very valuable for passengers, users, disabled groups, old people and younger people to come together to speak with the train operating companies to inform the Government of the issues in a way in which you can get consensus, which I think is important so that we understand the issues.

Q588 Chairman: What about you, Mrs Sharp? Are you satisfied that you can get the Government when you need to say something?  
Mrs Sharp: Yes. I think as individual disability organisations we have reasonable access, certainly from the other organisation’s evidence that we submitted our evidence from, The Joint Committee, have regular, at least annual meetings with ministers, but of course through the Disabled Persons Transport Advisory Committee as well we are able to make sure that disability organisations’ voices are heard regularly by ministers.  
Mr Cooke: Yes, we are happy with the level of access we get to Government, both on our own and through working with Passenger Focus. Can I comment on one aspect of the Saver fares? I wholly agree with what Mr Foxall said, but what we also believe is necessary in a walk-up low price fare is that there is some regulation of precisely how many hours per day that is available for. One of the problems at the moment is that whilst train operators are obliged to have the Saver fare, they can tinker with the restrictions in such a way that it almost, in some cases, makes it next to useless. We believe there should be some control not only of the fare levels but indeed the rules which apply to that fare.

Q589 Mrs Ellman: Do you think your representations are listened to and acted upon?  
Mr Cooke: I think our representations, certainly on these issues around fares, have been listened to by Government very well indeed, yes.

Q590 Mrs Ellman: What about issues to do with access to trains by elderly and disabled people? Have any of you raised concerns about that?  
Mr Cooke: We certainly have raised concerns about that. We welcome some of the work which is being done on the access rule. We would like more work to be done. We have one concern, though, which does not yet seem to be seriously enough addressed. Whilst a lot of work is going on about access to stations, what is also equally important is a level access from platform to train, and with one or two exceptions that is still a huge obstacle sometimes for disabled people to get from the platform to the train and that needs seriously looking at.

Q591 Chairman: Is there anything you want to add to that, Mr Turner?  
Mr Turner: Yes. We have a very interesting meeting with Gary Tordoff from Network Rail recently on the issues of level access and to me it was blindingly obvious. You have a platform and you have a train and you make them meet, but it is not that simple, is it, with the network—

Q592 Chairman: Do you talk to the train manufacturers?  
Mr Turner: ATOC were there, but not the train manufacturers, no. We have not involved them.

Q593 Chairman: Because ATOC nowadays actually do not commission the trains, they do not pay for the trains, in fact they have a very tangential relationship with them altogether.  
Mr Turner: That is a good point. On that, we shall make sure that we do, but access for our members is a big issue, access starting from the home.

Q594 Chairman: The same thing for you, Mrs Sharp? Tell us about your guide dogs.  
Mrs Sharp: Well, the people we are more concerned about, visually impaired people. I think in terms of access we have been disappointed at the lack of progress with implementing the Disability Discrimination Act 2005 provisions, which would have seen much greater enforcement. One of the big problems we have in representing blind and partially sighted people is that we have requirements for there to be passenger information systems on trains which are both audible and visual, and yet very often blind and partially sighted people are sitting on trains and the information is not provided. Now, if the train had doors which were not operable, it would be taken out of service. Train operating companies do not put as much emphasis on the fact that the passenger information is not operating, and yet that has huge implications for blind and partially sighted people both in terms of their confidence in actually travelling, knowing when to get off, and then when they are at the station knowing that they are at the right station. Getting off at the wrong station can have serious consequences. So we wanted to see more enforcement and we are very pleased that in the last few days the Government has begun two consultations, one on the Rail Vehicle Accessibility Interoperable Rail System Regulations, which is
another mouthful from Government, and another one which I have not yet seen, which is the Code of Practice consultation on stations. On that particular one, again a slight concern: in the White Paper it suggests that perhaps the Code of Practice has been stifling innovation and that it is seen as the absolute standard rather than the minimum. I have to say that that has not been our experience, that train operating companies have interpreted it as such. I think that needs some further investigation and we will certainly be looking at the consultation and the Code of Practice to ensure that where there are standards which are absolutely essential in terms of dimensions, et cetera, those are retained. They are not meant to stifle innovation; they are meant to make sure that what we end up with is fit for purpose and accessible to disabled people.

Q595 Mrs Ellman: There is a programme of station refurbishments. Are you consulted on what criteria are to be used in selecting those stations, for example, the issue of accessibility?
Mr Foxall: Yes, we are consulted on the stations, we are consulted on the priority, we are consulted on how the money, such as it is, should be spent. We are members of the Department Advisory Committee. I have two board members who are nominated to look after, as it were, a bunch of those issues. We also carry out mystery shopping exercises in relation to disability and access issues in general and we have completed one this year on the assisted persons scheme to see how that worked and we have submitted that back to the train operators and to Government. So we are consulted and we input. What we rely on is working with the organisations which represent other groups and drawing on them, because we are trying to represent a whole bundle of people and what we need to do is to work with the groups who have the expertise, and that is what we try to do.

Q596 Mrs Ellman: The Government’s plan says it adopts a pragmatic approach to implementing the Disability Discrimination Act in relation to accessibility issues. How long would it take to achieve accessibility everywhere at the present rate?
Mr Foxall: I could not venture a guess. Clearly, it is going to take a long time to refurbish every station if you look at the numbers of stations involved. If you applied the modular station plan to every station, ignoring just for the moment access issues alone, you would be talking about something like 25 years to actually run through the whole thing. How long it would take you to meet the access criteria, I do not have a view on that.
Mrs Ellman: What about the training of staff in relation to elderly and disabled people?

Q597 Chairman: Let us ask Mr Turner and Mrs Sharp. Mr Turner, what about the training of staff?
Mr Turner: From the experience of my members, it is patchy. I think it is certainly good in some areas, but there are always the horror stories that members come up with, “We were left alone on a platform with nowhere to go, no staff and no help,” and when they did ask for help they didn’t know. Again, we hear of the bad bits, but obviously there are quite a lot of good bits because a lot of people do travel. But training, particularly in the areas of help with ticketing and the pricing structure — what is the best fare, and if I want to go through various different train operating company areas what are the problems of interchange and are there different numbers — I think people in different areas need to know the full route to be able to help somebody starting in a particular area to end up where they are getting to and training will be an ongoing issue, I think. It is something we should never forget.
Mrs Sharp: I think the whole issue of training and staffing is at the centre of accessibility for disabled and elderly people. It was interesting with the Passenger Focus research that one of the findings was that the needs of visually impaired people were particularly under-represented in terms of understanding than those of people with physical disabilities, and I think that is probably true for a lot of people who have what we would term as “invisible disabilities” which are not obvious by dint of being in a wheelchair or having a walking stick. So getting that understanding is absolutely critical and arguably, too, if you have got good customer service for disabled people then you are going to have good customer service for all other passengers as well, so there is a win, win here. In terms of training, we have been particularly pleased to work with ATOC recently on their new video programme for the industry on disability awareness. Things have improved over the recent years, but there is still a long way to go and it is patchy. We need to get consistency, because it is that consistency that will breed confidence, which will make people travel.

Q598 Chairman: Has anybody ever done an audit of all the stations which do not have suitable lifts, for example? Some of the overground railway lifts are pretty Victorian, but they do still work and they are quite large. Has anybody ever done a proper audit of the availability of things like lifts?
Mr Cooke: I believe Network Rail has done that. Ultimately, Network Rail own all these stations, although they may be leased to train operators, and Network Rail does have that information, yes.
Chairman: Thank you.

Q599 Mr Clelland: Do you think the White Paper provides the kind of long-term vision necessary to develop rail infrastructure which would be suitable for the middle of the twenty-first century?
Mr Cooke: I think the simple answer to that question is, no. The vision talks about it being a vision for 30 years, but in fact there is very little in the White Paper beyond the next control period or looking at the control period after that. We believe, and in fact in some of the responses we have recently made to other documents, particularly the South London Utilisation Strategy, is that there needs to be a much more longer term view because some of the problems, particularly over longer trains and where
those trains can stop, can only be undertaken if you did have a much longer term view about it. That may apply for high speed rail as well.

Q600 Mr Clelland: If you were given the responsibility for developing the 30 year plan for the railways, tell us what would be in it.

Mr Cooke: I think we are looking at capacity on the higher end of the predictions people are making. I say that on the basis of history because, as Mr Foxall said earlier, every time it has been predicted in the past it has been way out. I am looking at it probably over a 30 or 50 year timeframe for those predictions and looking at capacity in that way, fully accepting that capacity does not necessarily equate to seats, because certainly in London we actually understand that it is an unrealistic ambition for everybody to have a seat on the quarter past eight train, but there is a difference between having a seat and being crammed in like sardines.

Mr Foxall: Can I just join in the comment on that, because I think when you are looking at the White Paper clearly it is light on the kind of strategy you are talking about. However, when we were talking to the Department and making representations to them, we did not want them to produce a paper which was all strategy and no action. A 30 year strategy is great, but 30 years to wait for a train is a long time and you cannot ride to work on a strategy. So the strategy is important given the time the railway takes and given the slowness of the railway actually to react to some of the issues the other witnesses earlier today have been remarking on. We wanted to press on them the need to get on and do things. There are passengers waiting on platforms who need to get onto trains. Trains need to run on time now, not in 20 years’ time, and we need, therefore, to see that action taken. So I am in some senses less disappointed than some people, because frankly if I go and talk to passengers on platforms they do not really want to discuss what it is going to be like in 30 years’ time. They want to know that they can actually complete their journey today, not in 30 years. It is not a reason for not planning, but I want to put that in context.

It is important we keep the railway focused on passengers’ needs now as well as on doing these great and important things which no doubt deserve doing on a longer timescale.

Mr Foxall: I agree with Mr Foxall. It is very brave of any government to forecast for the next 30 years, because we do not know what is going to happen to the economy in the next five years, and a lot of it will be driven by the economic circumstances. We have seen it with pensions. But I think what is important is to put a platform in and an understanding of the needs so that you can move that platform forward as time goes on, but everybody knows the direction in which you are going.

Q601 Chairman: Do you have a view on which stations ought to be upgraded? How do we select which ought to be upgraded?

Mr Turner: That is a very difficult one. Because the money was relatively restricted this time, because for the number of stations you need a lot of money and the Government decided on footfall, if you like. I think that is important because there is a lot of passengers going through, but do we have an understanding of the number of people who currently cannot even start a rail journey? Because they are just as important and should be looked at as well as success criteria.

Q602 Chairman: So how do you think the selection criteria should work?

Mr Turner: I think the selection criteria should be looking at the base analysis, which is probably there, on the number of disabled people, the number of elderly people or young mothers and children who want to travel, to see those who either cannot actually get to a railway station or get access to the rail network and target that you want to see in 30 years all those people having access.

Q603 Chairman: The difficulty about that, Mr Turner, of course—and Mrs Sharp made the point—if you improve stations and station access, it is not just the elderly and the young who benefit, it is everybody. It is easier to get in and out, it is more comfortable and every benefits.

Mr Turner: Indeed. Then it is a matter of capacity, which Mr Cooke was saying.

Q604 Chairman: Therefore, I am saying to you again, how do you select what the procedure should be?

Mr Turner: That is a good question, which I cannot answer.

Chairman: Good. There is a nice honest man! What about ticket machines? Can we ask you? I am sorry, Mr Eford.

Q605 Clive Eford: Can I just go back very briefly on the issue about accessibility and the design of carriages? The new carriages that we have on South Eastern seem to have gone backwards in terms of accessibility for people with mobility problems. There is no handle inside the door, the step has been made narrower and people who are partially sighted, who have mobility problems, find it very difficult to get up that step into those carriages. Are you consulted in any way by the manufacturers about the designs and are you comfortable about the way the design of these carriages is going?

Mrs Sharp: We are reliant upon the application of, at the moment, the Rail Vehicle Accessibility Regulations and ultimately, from the middle of this year, the Interoperability Directive from Europe, which set the access standards. Clearly, as organisations representing disabled people, we were consulted on those standards around issues like the use of colour contrast on steps. It does go back to the point Mr Cooke made, though, in terms of the interface between train and platform and that cannot, we recognise, be regulated through the vehicle regulation but we do need to find a way of marrying the two things.

Chairman: Since we are a little short on time, could we move forwards rather than backwards about the railway.
Q606 Clive Efford: Are the repeated engineering overruns and the failure to learn lessons of Network Rail symptomatic of a deeper structural malaise within the organisation?

Mr Foxall: They are unacceptable to passengers and I think Network Rail have to understand that that is not a repeatable experience, what happened over Christmas. Disruption is one of the things passengers find the least satisfactory and importantly unplanned disruption is a great deal worse. It is very important that Network Rail get to grips with their problem. I think it is important that they focus on passengers. It is very easy to talk about service suppliers, but unless they have a vision that they are actually supporting passengers too, I think they will fail to deliver what it is they are supposed to deliver.

Q607 Chairman: Unless anybody has got a disagreement, I would rather move on. Is that a commonly held view?

Mr Cooke: In your questioning you talked about the implications of the fine on Network Rail. I think there is another implication of the fine. The £14 million will just go to the Treasury and we would like to see Network Rail be made to spend that £14 million on improvements for passengers that they would not otherwise spend so that they would get some benefit out of it, maybe better information systems, maybe more carriages, maybe all sorts of things, but rather than it actually going to the Treasury.

Q608 Chairman: We will certainly record that, Mr Cooke, but I did not know you were an optimist!

Mr Foxall: Chairman, if I could just add very briefly, I hope that is going to happen because indeed there is a meeting on Friday. Passenger Focus, along with London TravelWatch, have proposed that to the Regulator and there is a meeting on this Friday, as I understand it, with Network Rail.

Chairman: Well, pray for us all!

Q609 Clive Efford: Do you think there are any problems with the governance arrangements within Network Rail? Do you think they are adequate, well-functioning for an organisation of their size and importance? Do you have any comment on the fact that the information we have suggests that Network Rail’s board is made up of about 100 or so people?

Mr Foxall: I think with the structure you have it is very difficult to convince yourself that the structure which exists is effective in the light of everything that has happened at maintaining the sort of governance you would look for. If we do not change the structure, it seems to me the role of non-executives becomes very important in exercising the kind of governance you would expect to see in another company. If you stay with that structure, they have the key role and they must be encouraged, urged to use that role critically inside the company.

Q610 Mr Martlew: Just on that point, if you look at what we had before we had the shareholders’ group structure in Railtrack. You would not think that was a success, would you? Is Network Rail better than Railtrack?

Mr Foxall: In my personal opinion, I think Network Rail have achieved a great deal. There are considerable faults and there are considerable reservations, but you have to look at it on a balance sheet basis and I think they have achieved a great deal, and that must not be lost. But that does not mean that they cannot do much, much better. The issue we were talking about earlier must not be repeated.

Q611 Clive Efford: Moving on, how important are environmental concerns to the average rail passenger?

Mr Foxall: Research does not show it as being huge. It is an area where we have done some research and where we will do more research. I think you start off from the position, probably, that the average rail passenger assumes they have made the green choice in the first place by travelling by rail. I think there is an appetite for more obvious support of issues around rail usage in terms of green recycling of waste and things of that sort on trains. It is moving up the agenda, but it is not right at the top. The things right at the top are the things I talked about earlier.

Q612 Clive Efford: Is the White Paper’s approach sufficiently proactive in encouraging a modal shift to the railways?

Mr Cooke: I do think believe anything in the White Paper really does encourage modal shift, frankly, particularly the implication that by moving the pricing structure more to the passenger rather than the taxpayer it actually discourages modal shift.

Q613 Chairman: That is the point which was made earlier. I just want to go on to one or two things which are very practical. There are more and more ticket machines, and that usually is accompanied by a reduction in staff. Has that got an implication for disabled and other passengers?

Mrs Sharp: Absolutely. The first thing, of course, is the accessibility of the ticket machines themselves. Many of them are not accessible, particularly to blind and partially sighted people, who then rely on the accessibility of the ticket machines themselves. They are very specifically designed, as far as we can see, to make it possible for people to use them easily, not only in terms of colour coding but in terms of four languages, which I think is a bit of a start.

Q614 Chairman: Have you seen the Japanese system, because this Committee was quite impressed with the routine machines for purchasing at stations. They are very specifically designed, as far as we can see, to make it possible for people to use them easily, not only in terms of colour coding but in terms of four languages, which I think is a bit of a start.

Mrs Sharp: One of the things we called on in our evidence was for the Government to look at that with the manufacturers so that we can get audible output and we can get more functionality in there. But there is also the concern, too, that staff will not
Mr Stephen Joseph, Executive Director, Campaign for Better Transport; Mr Paul Withrington, Director, and Mr Jim Russell, Transport-Watch; Mr Don Mathew, Policy Adviser, and Mr Martin Bright, Rail Liaison Officer, Sustrans, gave evidence.

Q620 Chairman: Good afternoon. I am sorry we are a little late starting, but I know you will forgive us. Can you identify yourselves for the record, please, gentlemen?

Mr Joseph: I am Stephen Joseph, Director of the Campaign for Better Transport.

Mr Withrington: I am Paul Withrington, Director of Transport-Watch.

Mr Russell: I am Jim Russell. I am a scientist. I have had a long career in most aspects of transport. I am the author of recent articles on the relative impact of transport modes on climate change and as a
consequence of that have been asked to advise Transport-Watch.

Mr Mathew: Don Mathew, Policy Adviser to Sustrans.

Mr Bright: Martin Bright, Rail Liaison with Sustrans.

Q621 Chairman: Am I to take it that you are quite prepared to go to questions? Right. I am going to ask you before we start about your organisations. Who are your members, who do you represent (if anybody), how are you funded and what are your objectives, and briefly, please? Mr Joseph?

Mr Joseph: Campaign for Better Transport is a coalition of a wide range of something like 40 organisations and a number of local groups which works for sustainable transport policies and measures.

Q622 Chairman: How many members do you think you represent?

Mr Joseph: That total membership of the 40 affiliates runs into millions, but we do not claim to represent them all individually. We also have a small number of individual supporters.

Q623 Chairman: How are you funded?

Mr Joseph: We are funded by a number of those affiliates and a number of charitable trusts.

Q624 Chairman: What are your objectives?

Mr Joseph: Our objectives are to work for sustainable transport policies which give less emphasis to the private car, to road building and airport expansion, and more emphasis to public transport, walking and cycling.

Mr Withrington: We are funded by a private Jersey trust to a small measure.

Q625 Chairman: Jersey? That is very fashionable, yes!

Mr Withrington: We are not rich. We have a number of supporters, but I would not class them as members. Our objective is to make the best use of transport land in the interests of the community as a whole.

Q626 Chairman: It sounds a little bit exclusive. Approximately how many members who are not members do you have?

Mr Withrington: I would say around 50.

Q627 Chairman: 50, funded by a private fund in Jersey. Who do you think you represent?

Mr Withrington: Well, we would say we represent the community at large.

Q628 Chairman: With 50 people?

Mr Withrington: We make very little out of this personally. It is done for altruistic reasons. We believe we have got an extremely important message which should be heard.

Q629 Chairman: What exactly are your objectives?

Mr Withrington: To make the best use of transport land in the interests of the community as a whole.

Q630 Chairman: How do you, for example, convey that impression or that information if you only have 50 members?

Mr Withrington: I find that rather difficult to deal with.

Q631 Chairman: To whom do you convey this information?

Mr Russell: May I assist? I am an individual. I have been working with a number of academics for some time to deal with the misrepresentation, particularly of transport, the relative climate change impact of modes. I have found Transport-Watch’s information, which they put on the internet, to be the most accurate information and to lack the misinformation and misuse, particularly of averages, which has characterised many other—

Q632 Chairman: You will understand, Mr Russell, it does not seem to be a very large organisation. Its funding seems to be a little bit interesting, and your objectives seem to be the best use of transport land. It is rather an exclusive bunch, is it not?

Mr Russell: Chairman, a great many very influential groups have been very exclusively dedicated—

Q633 Chairman: Oh, I am aware of that, Mr Russell, after many years in politics. You do not need to tell me how little groups can influence things, particularly if they are not very transparent. You are talking about statistics. Your figures comparing road and rail transport deaths, do they include trespassers on the railway?

Mr Russell: They do indeed in that particular case.

Q634 Chairman: And do they compare rail passengers with express coach passengers?

Mr Russell: Indeed, but may I just give another example to you? The White Paper into which you are inquiring quotes as evidence for the relative merits of different modes a report. That report actually says something completely different from the quotation.

Q635 Chairman: Yes, but for the moment I am being very boring. Mr Russell, I am asking about you. Do you compare all rail deaths with all motorway deaths?

Mr Withrington: There are two constituencies. There are passengers—and when we are talking about passengers we compare passenger deaths by rail, or should I say the death rate, deaths per passenger mile by rail, with the death rate per passenger mile by express bus and coach on motorways and trunk roads.

Q636 Chairman: So we are ever so slightly selective?

Mr Withrington: Well, it is very important to compare like with like.

Q637 Chairman: I agree with you and it does not seem to me you are quite doing that.
Mr Withrington: There is no point at all in comparing deaths to passengers in train accidents with deaths on the road network as a whole, because the two are different.

Q638 Chairman: Well, trains are basically different from motorcars, yes.

Mr Withrington: So we have one constituency, which is passengers, and the other constituency is system-wide. Now, if you are looking at the thing which is passengers, and the other constituency is system-wide, that would be the system and we have compared—

Q639 Chairman: Yes, I think, Mr Withrington, it is a very interesting system but I do not find it altogether persuasive.

Mr Withrington: We have compared the death rate on that system with a comparable system by roads.

Q640 Chairman: Yes. Well, I think it is an interesting academic exercise. Mr Mathew, tell me about yourself.

Mr Mathew: Thank you, Chairman. Sustrans is short for Sustainable Transport. We are actually a charity. We are a practical charity which delivers projects. Our aim is as per the first page of our evidence, but it is to change the UK’s transport system and culture so that firstly transport emissions, which cause climate change, are significantly reduced. Secondly, so that people can choose to travel in ways which benefit their health and the environment. Thirdly, so that everyone has good access to local facilities, and fourthly, that local streets and public spaces become places for people to enjoy. Our funding is complex. We have 40,000 supporters. We have offices in each English region. We have offices in Cardiff, Belfast—

Q641 Chairman: Officers, not offices?

Mr Mathew: Well, in a sense both. We are a UK organisation. One of our strengths has been in putting together packages of policy and money to deliver the projects I have mentioned.

Q642 Chairman: You presumably communicate with your members, the 40,000, what you are doing, how you are doing it and when you are doing it?

Mr Mathew: We indeed have a regular newsletter. I should say we communicate with most other NGOs, including CBT and the CTC, the national cyclists’ organisation. Lastly, of course, we did actually win the lottery with our Connect2 bid, so we have used that to again part-fund a whole series of projects about increased accessibility throughout the UK.

Q643 Chairman: You are not going to tell me that you are actually an NGO with money, because I will feel that this entire session is becoming more Alice in Wonderland by the moment!

Mr Mathew: We have some money. I should, for the record, say that we have a series of working projects with the Department for Transport including things like maintenance of the National Cycle Network, Safe Routes to School and Links to School, and particularly Links to School has scored very well in terms of value for money and links to wider policy objectives.

Q644 Chairman: I just want to ask you one other factual question, Mr Withrington. Did you in 2005 put a series of advertisements in The New Statesman and other publications and have them rejected by the Advertising Standards Authority?

Mr Withrington: Yes. It took them nine months to do that and when—

Q645 Chairman: The length of time is not quite the point, it is the content. Did they reject the content of your advertisement?

Mr Withrington: No, they did not. They said it was overwritten.

Q646 Chairman: Overwritten? Okay. Well, life is full of interesting designations! Semantics is, after all, something we know about. Anybody can come in, but please, if you agree with one another do not repeat what somebody else has said. Does the White Paper provide the long-term vision that is required to develop infrastructure for the middle of the twenty-first century?

Mr Russell: No, the paper is based on a misunderstanding of the data and it will not achieve its objectives.

Q647 Chairman: Mr Russell, I have the greatest of respect for you. I am not going to follow you down this argument about specifics. If you have a problem, I think you should set it out, and presumably you have, in various advertisements, but we want to know is it a vision?

Mr Russell: Chairman, it is not a vision.

Mr Mathew: I am rather chary of visions in this day and age. If you consider the way in which our views of climate change, public obesity, social inclusion and peak oil have altered only over the last three to four years—

Q648 Chairman: This Committee does not support campaigns on public obesity! Please continue.

Mr Mathew: I would simply say that the costs of public obesity actually are a major drain on the public purse, including the transport sector, Chairman.

Q649 Chairman: All right, one to you!

Mr Mathew: One thing I was furtively looking through the White Paper for and could not find it—I do not know if you can help me with it—what the price a barrel of oil was, the assumed figure, because until very recently I know the Government was, for some of its full projections, using the price of $23 and I think that is a kind of warning. Sustrans’ overall vision is now placed within the parameters of the demands of peak oil and climate change, and
basically there are two things, I think, modal shift and possibly the fact that in the longer term we will have to get used to travelling less.

Q650 Chairman: Then let us ask you the other question: is the White Paper sufficiently encouraging a modal shift?

Mr Mathew: I think to some extent it actually is, in that it takes the view of Rod Eddington—and by the way since the terms of the inquiry we have had the Government’s response to Stern and Eddington in “Towards a Sustainable Transport System”, which is helping to shape the debate. Eddington was wary of what he called—I will not try to pronounce it in French—grand projects and he did say that basically we needed to address bottlenecks, constraints on the system and concentrate on the networks we had already got rather than bringing forward great visionary projects. We think that is the right attention and that probably big visions need further examination. I would simply support some of the comments made earlier by Passenger Focus, that perhaps it is a little lacking in terms of population growth, housing growth and industrial growth, and I have to say that Sustrans is now on the DCLG Advisory Group for Eco Towns and there are obviously new areas to come in there. Again, I think this is possibly one where the railways still have not thought far enough ahead, particularly eco towns and the very large housing projections.

Q651 Chairman: Mr Joseph, presumably you do not disagree with that?

Mr Joseph: I do not disagree with that at all. I would comment in answer to your original question that we are concerned that the White Paper lacks a vision, which is about joining up rail with the rest of Government policy, with planning in particular, on which we would argue that Britain has been almost uniquely terrible in the European context, and that we would want to see rail much more part of overall planning and development and that the White Paper does not really do that, in particular by rejecting any kinds of re-openings of railways, stations and lines it misses an opportunity to fit rail out for a role in the twenty-first century.

Q652 Chairman: So the bases are all right, but it does not encourage modal shift and it does not go forward in the way you say. It is a restricted vision, if anything?

Mr Joseph: That is correct, and a lot of the decisions which need to be taken now about what happens beyond 2014 are ducked in the White Paper, notably about electrification and longer term capacity issues. Our submission to the Committee particularly refers to the issue of safeguarding alignments for future use.

Chairman: I think actually we might come to capacity increases. Are they inclined to do more than allow the railways to stand still? I will come to Mrs Ellman.

Q653 Mrs Ellman: Do you support electrification?

Mr Joseph: We think there is a strong case to be made for further electrification and that the way in which the White Paper deals with future power supplies for the railways, indeed for transport as a whole, implies a ducking of the issue. It talks about hydrogen fuel cells. Well, it is not clear what those fuel cells will be powered by and how that will be delivered. There is an increasing consensus within the railway industry, we understand, for infill electrification in the short-term and more electrification in the longer term.

Mr Russell: There is a difficulty with electrification in that it involves more coal-burning power stations, and coal-burning power stations are the most polluting form of energy for railways. It has the effect, effectively, of making railways about twice as bad as cars.

Mr Joseph: I should have said that our support for electrification is partly because we see the case for using electrification to encourage more renewable energy provision and therefore support the market for wind power and other renewables, which we think will make the railways greener. Obviously, if electrification brings the railways into being powered by coal-fired power stations that would be a backward step for climate change and we would not support that.

Q654 Mrs Ellman: What about the growth forecasts in the White Paper? Do you think those are accurate?

Mr Withrington: I have no quarrel with the growth forecasts. We just feel that the policy as a whole has driven the evidence and that therefore you have evidence which is a fairy story. That is where we stand.

Q655 Mrs Ellman: Do you agree with the forecasts or do you not?

Mr Withrington: I have no quarrel with the forecasts as such, it is the enormous expenditure which is proposed.

Q656 Mrs Ellman: But you agree with the forecasts?

Mr Withrington: Yes, I have said that.

Mr Joseph: We think that the forecasts could be underestimates for the reason Mr Mathew gave earlier, that in common with all other transport documents they are based on low crude oil prices which are well below current levels and below where most analysts think they will be in the future. If you take those forward, it is likely to change the level of demand for rail substantially. If you add to that issues such as congestion charging and other issues, and particularly the changes in land use I referred to earlier, we think that the forecasts could be underestimates, and I understand that is shared by a large number of people in the rail industry.

Q657 Mrs Ellman: What are your views on preserving strategic rights of way and disused rail lines? Does anyone have any views on that?
Mr Mathew: Very briefly the history of this is that after the Beeching cuts there was the Appleton review for, I think, the Countryside Commission in those days, saying what an important national asset disused lines were. Absolutely nothing happened from the report coming out in 1967 until Sustrans was commissioned in 1981 by a young Conservative Transport Minister, slim at the time, called Mr Kenneth Clarke, and our report showed that in fact these were incredibly important on several grounds. Firstly, at some time they might be re-used for public transport. Secondly, that they were an incredibly vital wildlife and recreation resource. Thirdly, that with the appropriate infrastructure they could be the basis of a national cycle network, and indeed that is what Sustrans has worked towards.

Mr Withrington: We would say that lightly used railway lines should be preserved in transport use and never closed. They are almost always wide enough for roads. If they were so converted, countless lorries and cars would divert from the unsuitable rural roads and city streets which they clog. New access would be developed to the great benefit of the nation. One of the great tragedies of the past was the loss of about 10,000 miles of right of way under the Beeching cuts. If the present Government or a subsequent government is to cut the railways because of lack of use, then they could be brought into the most effective use imaginable by being converted to roads. They should never be lost to transport.

Mr Mathew: Could I just add, in route continuity the preservation of bridges is absolutely vital and one of the reasons we have lost so many networks, for whatever purpose, has been the premature removal of bridges. That is why Sustrans has taken over ownership or guardianship of a large number of bridges and viaducts.

Mrs Ellman: Do you think sufficient note is taken of bridges?

Q658 Chairman: What do you mean by that, Mr Mathew? Bridges are very expensive things to maintain.

Mr Mathew: They are indeed, Chairman, but if they go then your route is—

Q659 Chairman: No, I am not arguing with the principle. I am arguing about what you mean by “We have taken control of bridges”. Have you suddenly become one of the bridge builders of the world? If so, you would be very welcome in Crewe. I will give you four! I have got Victorian ones, so maybe they are not cheap.

Mr Mathew: What I am saying is that we actually have a separate arm’s length company called Railway Paths Limited and a number of bridges, particularly of historic worth, have been made over to us for nominal sums to care for. At the same time, as I have already said, we have been slightly more successful at attracting money from a differing variety of sources, which enables us to safeguard the principle of the routes.

Chairman: Oh, I am taking notes! Thank you very much.

Q660 Mrs Ellman: Would you say the environmental potential of rail has been maximised in the White Paper?

Mr Russell: No, the potential of rail would be maximised by providing other forms of transport in the current state of the art.

Q661 Mrs Ellman: What do you mean by “other forms of transport”?

Mr Russell: The issues there effectively are that the Government’s strategy for transport does not see any growth in the efficiency of rail. It does see quite large growth in the efficiency of road. Those growths by 2022, according to the paper on which the White Paper relies on, will make the car more efficient than rail and in the period of 30 years the car will become much more efficient than rail is likely to be.

Q662 Mrs Ellman: My question is actually about rail, whether the plans in the White Paper for rail maximise the environmental potential of rail?

Mr Russell: All I can say to that, if I may, is that if we can take as an extraordinary as they involve building additional bits of railway and they do not take into account the embodied carbon—which is very, very substantial, we are talking about tonnes per kilometre of carbon emissions in order to put down rails—there is a doubt which has not been addressed.

Mr Withrington: It goes further than that. If the rail is electrified it will extend the life of coal-fired power stations—

Q663 Chairman: I think we are getting a bit hung up on this. We have not discussed nuclear power stations. If we are going to have fun, we could have windmills, we could have offshore wind. I think this would take a considerable time. Mr Joseph, can you get us off coal?

Mr Joseph: Yes. I think the environmental benefits of rail have not been fully spelt out in the White Paper. In particular, we were pleased to see the Government accept the principle of station travel plans, but really the issue—and I am sure we and Sustrans are on the same line on this—is about door-to-door journey capacity. At the moment it is sometimes, compared with other countries, quite difficult to access the railway by any means, but particularly by means other than the car. Therefore, by not integrating rail sufficiently with other forms of transport they have not maximised the environmental benefits. More importantly, the point I made earlier about planning new development around railways is a way of maximising the environmental benefits of rail because you get the benefits of a large number of people being able to use the railway and rail-friendly development (what the Americans call transit-oriented development) which other countries treat as routine and which we regard as very unusual indeed. So it is the lack of integration between rail and other policies which I referred to earlier which avoids maximising the environmental benefits of rail.

Q664 Mrs Ellman: Thank you. Does Sustrans have a view on that?
Mr Mathew: Yes, indeed. I am sure this Committee on its travels usually gapes in amazement at the amount of cycle paths outside Dutch, German and Scandinavian stations and the ease of access, the ease of cycle parking, and the fact that stations are actually often treated as a sort of hub of not only movement but, as we know, of social relaxation, eating, et cetera, as a far more important centre in their own right, which is something we would underline. We say a lot in here about Safe Routes to Stations, which is a programme we have been running for 20 years with, at times, very little support from certainly Network Rail, increasingly support from DfT. I would say for the record, just to update you, that since we wrote our submission two things have happened. The Station Travel Plans steering group, as put in the White Paper, has started work. My colleague is sitting on it and can take any particular questions about it. It is looking for 12 pilot stations to run Station Travel Plans from. Our only criticism is that with all the money awash in the rail industry there is not a penny devoted to that programme at present. Secondly, as also promised in the White Paper and is also now taken forward, there is a cycle/rail task force, of which ATOC provides the secretariat and that is looking at two particular aspects, facilities at stations and the very vexed issue about the on-train carriage of cycles. I think there is a lot starting to flow out of the White Paper, so I would say it is mildly encouraging.

Mr Bright: Unfortunately, no, and to be quite frank we would appreciate it if ATOC offered us a seat, perhaps on an occasional basis, on their cycle task force to contribute our experience.

Chairman: Thank you very much.

Q665 Chairman: Mr Bright, do you want to tell us a bit, very briefly, about the agenda of this committee? Presumably it is the beginning?

Mr Bright: Yes. The inaugural meeting was at the end of January and it was decided at that meeting to circulate local authorities to invite them (and subsequently they have been invited) to tender to become one of the pilots of the Station Travel Plans scheme. As my colleague has pointed out, the only funding available is for ATOC to act as a secretariat and unfortunately there is no sort of seed fund to attract local authorities and train operators, and inevitably developers as well, to come together to provide a considerable sum of money for some of the stations on the list to actually develop them. What Sustrans is particularly interested in is achieving direct and convenient, and obviously safe cycling and walking routes into these stations so that the stations, as Don has referred to, rather like the Dutch ones, are the hubs of the communities and that people are (a) aware that there is a railway station, and (b) when they get there, particularly with their bike, they do not think, “I’m not leaving my bike here because it won’t be here when I get back.” That, obviously, is one way in which train operators in particular can assist in getting more passengers onto their trains but without extending their car parks.

Q666 Chairman: When you are doing something about looking at how, for example, bicycles are carried on trains, ATOC has not offered you some small fund to keep you going on a bit of research?

Mr Hollobone: I am particularly interested in and intrigued by the evidence given to us by TransportWatch. Our report is “Delivering a Sustainable Railway: a 30-year Strategy for the Railways?” It would seem from TransportWatch’s evidence that what it is saying is that there would be financial and environmental benefits from basically digging up all the under-used railway lines and converting them into roads for coaches and goods vehicles. Could you give us some examples of how that might actually work?

Mr Withrington: There is a number of disused railway lines that have been so converted. There is Princes Way in Glasgow, there is Eden Way in Blackpool, there is the North Devon link road. There are many bits of railway which have been so converted as railways, even in central London here, the network is in highway terms scarcely used. If these lightly used rural railway lines were converted to roads they would suck many vehicles off the unsuitable rights of way they currently use, to the immense benefit of the environment and it would also unlock the development potential of the endless acres of disused railway land, which I find at most provincial railway stations in the country.

Q668 Mr Hollobone: As I understand it, in evidence given to this Committee, it may have been last week or the week before, by Bombardier, they said that railway carriages, the rail network, had by far the highest capacity of any mode. It seems to me that what TransportWatch is saying is that express coaches could carry more people, particularly on commuter routes?

Mr Withrington: Absolutely. There is an entire misconception as to capacity. Let me give an example. There is a single contraflow bus lane in New York where the rules of time and space are the same as in London. This bus lane is two and a half miles long and connects to a tunnel, which is another one and a half miles long, providing a total of four miles. That lane is 3.2 metres wide and in the peak hour it carries 700 coaches an hour, 700 coaches each with 45 seats, representing a total of 30,000 seats in the peak hour in one lane slightly under eleven feet wide. In contrast, the Victoria main line, 30,000 passengers arrive in the peak hour, many of them in crushed conditions and occupying four inbound tracks, each track the same width as required by a motor coach. We would say that even in the peak hour and in Central London here this immense railway network is, in highway terms, used to only one-seventh of its potential.
**Mr Withrington:** Let me come in on that. The average rail journey is 25 miles long. Half of all railway journeys are less than 20 miles long; 90% of rail journeys are less than 80 miles long. We would say that for all these journeys, or nearly all these journeys, an express coach occupying an alignment such as offered by the railways would be extremely competitive on speed and would offer a service frequency often many times as great.

**Q670 Mr Hollobone:** Mr Russell, you have given some evidence with regard to the effects on climate change and with respect, Chairman, I used to study the electricity industry and coal-fired generation can be quite important because it is a very marginal plant and if you extend an electrification system you would effectively be extending the commercial future of such a marginal plant. Are you saying that the evidence the Government has given in its White Paper with regard to the greener credentials of railways is actually false?

**Mr Russell:** It is both false and not in accord with its own papers on the future of generation.

**Q671 Mr Hollobone:** Why is it false?

**Mr Russell:** It is false because it quotes a paper which uses the average emission from power stations rather than the emission from coal-fired stations. A factor of 2 is involved in fact. The carbon emissions of rail in the particular diagram, which is figure 11.1, should be twice as great as they are.

**Q672 Mr Hollobone:** So what you are saying is that if, as many people want to see, there were more electrified railways in this country the carbon footprint of Britain’s railway network would actually go up rather than go down?

**Mr Russell:** Yes. That is what the Government has said, effectively.

**Q673 Chairman:** No, I do not think that is what it said. Mr Joseph, do you want to comment on that?

**Mr Joseph:** Yes, I would just like to comment on a little of this. Firstly, as I made clear earlier, the case for electrification is about making the railway fuel available from renewables and other sources. As I said myself earlier, if it resulted in lots more coal-fired power stations we and many of our members would object to this because we want to see a move away from coal-fired power stations. Secondly, I would just like to say a little bit about the express coach business. As an organisation, we support coaches, but actually I think if TransportWatch were to make a comparison between taking lanes out of the motorways for coaches they might find that the case was rather stronger. Certainly, in the context of the Active Traffic Management announcement yesterday one of the comments we made to the Secretary of State in talking about high occupancy vehicle lanes was that they should look at including coaches in those. Now, if you compared, for example, the average occupancy of cars on motorways and talked about transferring some people from car to coach (which I assume is the shared objective we have with TransportWatch, that we want to see fewer people using cars and more people using public transport, in their case coaches rather than rail) then you would find there was a very strong case for making reserve capacity available for coaches on motorways. Our concern is that if you convert the railways into coaches, what will happen is that people will in fact use cars and you will have rather higher emissions, and also that you will lose freight from the railways to roads, and we have some unpublished evidence which we can let the Committee have which suggests that heavy goods vehicles cover a maximum of 60% of their track costs.

**Q674 Chairman:** It would be very helpful if you would let us have that.

**Mr Withrington:** I wanted to come in there. We do not actually support the idea that people would transfer from car to coach, and similarly we do not support the idea that people will usefully transfer from car to train. That is because the car serves a dispersed land use. The average trip length by car is eight miles. Half of all car trips are less than four miles. They are going to completely different destinations than are rail trips, where the average journey length is three to four times longer. If you did get a transfer, you would be replacing a short journey by a long journey and I do not think you win.

**Q675 Chairman:** I think your views are very interesting, and we have actually got written evidence. I just want to ask you all about the costs of rail investment. The likely impact on the Government’s growth forecasts of significant fare increases, would that be good or bad?

**Mr Mathew:** Good for whom, Chairman?

**Q676 Chairman:** I ask the questions, Mr Mathew, you just give me the answers. What impact would it have if there were significant fare increases?

**Mr Russell:** Might I suggest this is not my area of expertise at all, but as an occasional and grateful rail user it would give me a much better idea of the cost of what I use, just as I have to accept when the fuel price is put up on my car that it is an attempt to tell me what it is costing me to use my car. So I would get a much better price signal about my use choices, I think.

**Mr Joseph:** We are concerned that the White Paper implies significant increases in fares, particularly in walk-on fares. We think this would drive people off the railways and suppress demand. What we have at the moment, and in a previous Committee inquiry on fares we talked about this, is the complexity of fares which confuses people as well. Our concern is that high walk-on fares do not send the right signals to people in the travel choices they need to make, particularly in the context of encouraging people to make low carbon transport choices.

**Mr Mathew:** I would say, Chairman, that it does not do much for the Government’s policies on social inclusion in travel.
Mr Withrington: Briefly, the wealthy section of society travels four to five times as far annually by rail as do the poorer sections of society.

Mr Joseph: And by car, Mr Withrington.

Mr Withrington: If you look at car, you will find that the rich, the wealthier section of the community travels two and a half times as far rather than five times as far as do the poor, if you see what I mean.

Q677 Chairman: No, I can honestly say I find some of your views very interesting but not clear.

Mr Withrington: All right then, I will start again.

Q678 Chairman: No, please do not!

Mr Withrington: I must insist.

Q679 Chairman: No, I take your word for it, Mr Withrington. I will read it carefully.

Mr Withrington: No, I must insist on this important—

Q680 Chairman: No, Mr Withrington, in this Committee I insist! I am the one who insists. When it comes to insisting, it is me. I think you were telling us something about the rich?

Mr Withrington: Yes. The subsidy of the railways is benefiting the rich to a far greater extent than the poor. There is no reason at all for that to be the case. If they wish to benefit the poor, they should subsidise the poor, leaving the rich to pay the fares which the cost of the system imposes.

Q681 Chairman: But you are suggesting there should be a subsidy paid to individual travellers?

Mr Withrington: Well, to that section of the community. If you can identify well-deserving travellers, subsidise them and leave them to decide how to spend the money, rather than subsidising a system which is used to a far greater extent by the wealthy than is the car.

Chairman: It all sounds very interesting and we are very grateful to you all, gentlemen. You have been very helpful.

Mr Russell: Chairman, might I ask a quick question?

Chairman: No, I am afraid not, Mr Russell. Around here we ask the questions. Thank you very much, gentlemen. It has been very interesting.
Wednesday 19 March 2008

Members present:

Mrs Gwyneth Dunwoody, in the Chair

Mr David Clelland
Clive Efford
Mrs Louise Ellman
Mr Philip Hollobone
Mr John Leech

Mr Eric Martlew
Mr Lee Scott
Graham Stringer
Mr David Wilshire

Witnesses: Mr Julian Johnson, Chair of the South West Regional Assembly’s Regional Transport Board, South West Regional Assembly and South West Regional Development Agency, Mr Chris Haynes, Head of Transportation Strategy, Birmingham City Council, West Midlands Regional Rail Forum, Mr Geoff Hobbs, Head of Strategy, London Rail, Transport for London, and Professor David Begg, Chairman of the Transport Compact, Northern Way, gave evidence.

Chairman: Good afternoon to you, gentlemen. We do have a little bit of housekeeping which we have to organise first. Members having an interest to declare.

Mr Clelland: A member of UNITE.

Graham Stringer: A member of UNITE.

Clive Efford: A member of UNITE.

Chairman: ASLEF.

Mrs Ellman: A member of UNITE.

Q682 Chairman: Did any of you have something you wanted to say briefly before we begin?

Mr Johnson: Could I just say, Chairman, I am not an Officer of the Assembly, I am a Member.

Q683 Chairman: Did any of you have something you wanted to say briefly before we begin?

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Q684 Chairman: To what extent would a more proactive policy to improve rail capacity in cities other than London produce a significant modal shift?

Mr Haynes: We are pleased that in the White Paper they have addressed cities separately from London, i.e. they have named various cities and they have said others were looked at as well, the core cities, because I am also on the core cities transport group as well. What we do not think they have done quite adequately is to address the whole issue of growth and the expansion, and the control. If you look at the forecasting issue, then the forecasting has largely been done from the rail demand forecasting handbook and they have not perhaps taken into account the full regeneration. Certainly in Birmingham we have now got around 40% of trips coming into the city centre, up 125,000, by rail and that has grown by 8 percentage points in the last ten years and we expect that to continue.

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Q686 Chairman: Mr Johnson, can I just ask you about the South West? What are your concerns particularly about something like Crossrail?

Mr Johnson: Could I just come back to an earlier point about how we feel the strategy fits in with the South West strategy? That is that we have a high rate of growth forecast for the South West. We have just completed our spatial strategy and that followed on from the White Paper, and we are very grateful to you, and if you do not repeat what somebody has just said, but if you wish to catch my attention you may do so. Can I ask you first, for the purposes of the record, to identify yourselves, starting with my left?

Professor Begg: David Begg, Northern Way.

Mr Haynes: Chris Haynes, Chair of the West Midlands Regional Rail Forum.

Mr Johnson: Julian Johnson, Chairman of the South West Regional Transport Board.

Mr Hobbs: Geoff Hobbs, Transport for London.

Mr Johnson: Could I just come back to an earlier point about how we feel the strategy fits in with the South West strategy? That is that we have a high rate of growth forecast for the South West. We have just completed our spatial strategy and that followed on from the White Paper, and we are very grateful to you, and if you do not repeat what somebody has just said, but if you wish to catch my attention you may do so. Can I ask you first, for the purposes of the record, to identify yourselves, starting with my left?

Professor Begg: David Begg, Northern Way.

Mr Haynes: Chris Haynes, Chair of the West Midlands Regional Rail Forum.

Mr Johnson: Julian Johnson, Chairman of the South West Regional Transport Board.

Mr Hobbs: Geoff Hobbs, Transport for London.
Mr Johnson: The Regional Fund, the allocation does not—in fact they are purely the road schemes, Chairman, not the rail schemes.

Professor Begg: We think it is significant.

Chairman: I just want to interrupt you for a moment because I think Mr Eddow wanted to pick up one of the points.

Q688 Chairman: But to what extent do you believe your regional rail prospectus has influenced the White Paper?

Mr Johnson: Well, I hoped that it would have certainly identified the priorities that we have in the South West, to remove some of the congestion, to get a better infrastructure in the region, to increase the capacity in the region looking to the forward levels of population growth and the economic growth we have in the region.

Q689 Mrs Ellman: Professor Begg, in your written evidence from the Northern Way you talk about the benefits of high speed journeys to the North and you have a figure of £10 billion benefit and you also talk about an added benefit to London as well. Could you say anything about how you get these figures and how substantiated they are?

Professor Begg: We have tried to sing to the Government’s new mood music on transport assessment. In the past we did not look at benefits such as agglomeration benefits, which is a kind of new buzz word now.

Q690 Graham Stringer: Can you define it?

Professor Begg: Yes. Agglomeration benefits occur when you get businesses in close proximity so that they can share some of their resources and customers can target these businesses, share skilled labour, and you usually look at agglomeration benefits within a city. To give you one example, one of the reasons why Canary Wharf is so near to the City of London is because they can share a number of these benefits. What we have not done really seriously is look at what happens when we bring cities closer together and what really intrigues us in the Northern Way is what happens if we can improve transport links across the Pennines. To answer your question on high speed, we think it is right that we look at the case for high speed rail North to South, but we actually believe that there is a compelling case for high speed rail links across the Pennines. Indeed, we are trying to understand what is driving some of the rail patronage numbers. The growth in rail patronage in the north of England is twice as high as the national average. We would like to know if that is going to continue. If it does, what implications does it have for capacity? So what drives us on high speed rail is that firstly it is a pragmatic case about running out of capacity on existing lines and how quickly will we do that. We actually think within 15 to 20 years we are actually there on the East Coast, West Coast, Midland Main Line and TransPennine, but then we want to find out what happens if we shrink journey times between these cities too, and that is where the agglomeration benefit argument comes in.

Q691 Mrs Ellman: How important would you say rail is to improving productivity and growth in the northern regions?

Q692 Clive Eddow: Just on high speed rail, exactly what does high speed rail deliver in terms of benefits to the passenger? Is it significant to knock 10 or 20 minutes off the journey between London and Manchester, or are we talking more about reliability and a dedicated passenger line rather than high speed?

Professor Begg: We are talking about it all now. We are actually starting to gather some hard evidence on what has happened since the improvement in journey time took place on the West Coast and some of the benefits that are starting to accrue to economies like Manchester. We can quantify quite easily what the benefits are to passengers and we can put a monetary value on 20 minutes, 30 minutes off a rail journey time. We can quantify the impact on the environment if there is less air traffic or if there is less traffic on the road. Where we are still struggling—and I think it is an issue with the Department too—is to try and quantify that in terms of economic benefit. What benefit does it start to bring for the economy? How important is transport against improving skills, for example, improving education? What weight do we put on transport against some of these other—

Chairman: I do not think we can do all of this, Professor Begg. We need to concentrate on those things. I am going to bring you back to Mrs Ellman’s question. Any evidence you have got on that we would like to see at any point in the future, in addition to what you have given us.

Q693 Mrs Ellman: Do you feel the Government is listening to any of the plans you put forward?

Professor Begg: Yes, we do. The question which the Chairman posed at the start on the White Paper is it biased in favour of London—our view on the White Paper is that at long last we are preparing for expansion. We have a debate about the growth in rail patronage and whether we are preparing for enough expansion. We would have been disappointed that what we think is the most important transport scheme in the north of England that covers all modes of transport was not in the White Paper, it was not in HLOS and that was investment to deal with the congestion in the Manchester rail hub. It is an interesting question why it was not in it, but subsequent to the White Paper there has been a positive announcement from the Secretary of State. £60 million is in Network Rail’s strategic business plan. We have got more rolling stock than we were anticipating subsequent to the White Paper on both Northern Rail and TransPennine, so things have got better since the White Paper in the North.

Q694 Mrs Ellman: Are there any other views on improvement in rolling stock and whether it is going to make a real difference?
Mr Haynes: We have studied the Rolling Stock Plan in some detail and generally 1300 carriages is more or less correct in terms of what is promised. What you have to be a bit careful with is the replacement, for instance in the West Midlands where the class 172s are replacing the class 150s. Sorry about the jargon. There are actually less seats on the new 172s than on the 150s and in fact the new electrical multiple units that are being included as additional stock in London Midland are actually ones transferred from Northern Rail and the class 323s. We are hopeful that the number of seats will be sufficient, but with the growth we are currently seeing there are two issues. One is procurement and how long it is going to take. In the rolling stock it talks about working together, and if you read the rolling stock strategy, which I know is not quite your White Paper but it is important to it, you will see how long it could take to deliver that rolling stock with all the changes, trying to do it through the franchises but with combined elements, tenders in, etc. So that is a concern about when it might be delivered as well as capacity.

Q695 Mrs Ellman: When do you expect it to be delivered?
Mr Haynes: Well, the class 172s from the West Midlands’s point of view have been ordered as part of the new franchise commitment for London Midland. So we are fairly confident that those will be delivered from 2010. The cascading that occurs for the new units and the tendering—they talk about additional class 172s. Will those be tendered? Can they be added on to the existing contract? Will the replacements that allow the cascading for the 323s be done in time? Those are real questions about whether those will be done by 2010, or is it going to be 2013 or 2014?

Q696 Chairman: Mr Johnson, did you want to add to that for the South West?
Mr Johnson: Yes, Chairman. The standard of the rolling stock in the region has been a big issue for quite some time now and, as I read it, the South West does not actually gain any of the 1300 of the new units in the White Paper. There will be a cascading effect, so that we will get some of the other units into the region, particularly on our cross-region rural route where the standard rolling stock has been of a very poor standard and, as I say, this has been a big issue in the South West.

Q697 Mrs Ellman: Do you expect there to be less overcrowding when the new rolling stock arrives?
Mr Johnson: One would hope so with additional capacity. I have to say we feel that we have made many representations about the capacity and it has been a very slow response. We are hoping that the White Paper will go some way towards addressing that, but if we are to get people out of their cars and onto another mode of travel then we have got to increase the capacity and get rid of a lot of the congestion which we have in the South West at the moment.

Q698 Clive Efford: Can I just ask very briefly about the issue of high speed rail, Professor Begg? I really just want to follow up on this issue about high speed rail. You say in your evidence that you think it would contribute £10 billion to the economy over 60 years and you use as evidence the upgrading of the West Coast Line. Is that because we have improved the reliability or is it the speed we are achieving on that line which has made the difference?
Professor Begg: It is both really. People will argue for high speed rail for very different reasons. My starting point would be that it is better to introduce new high speed rail lines than try to add additional capacity to existing lines because of the upheaval that is associated with it. Anyone who has experienced upheaval on the West Coast Main Line through badly needed modernisation will understand that it is not easy to put additional capacity down on existing lines. So we think it is a capacity issue. One of the major concerns we have with the Government’s White Paper is that while we like the fact that there is a costed five year plan there which is target and capacity improvements, we think it is important to look a bit further than five years because a lot of this planning needs to take place sooner rather than later.

Q699 Clive Efford: I think I follow the point, so thanks for that answer. The travelling public bears more of the cost of rail investment at the moment. Why should that be? That is open to anybody.
Mr Haynes: I think we recognise, as the White Paper sets out, that following the problems earlier in the late 1990s and early 2000s the Government had picked up a greater bill than it was expecting and therefore there was going to be a review of that balance. The RPI plus 1% (it changed from RPI minus 1% to RPI plus 1%) meant the public is getting a small extra share. However, that is only on the controlled fares. The fare for myself from Birmingham to London today was £127 second class and I have got colleagues, friends, who bought first class tickets who have had to stand all the way on the Pendolino from Wolverhampton to London, having paid the first class fare. So there is a capacity issue. In the new franchises that will let Arriva—

Q700 Chairman: They were sitting on the floor in the first class this morning. I have been to Birmingham and back today and they were actually sitting on the floor of the first class, whom I suspect were actually standard class passengers who could not even get into the carriage, so that is actually quite unhelpful.
Mr Haynes: It is indeed, and they are paying a very high fare for that privilege. The new franchises to London Midland and Arriva have actually been let at RPI plus 3%, which is different from the White Paper. So there is a question about whether what is in the White Paper and what can be delivered in terms of trying to meet the carbon footprint and everything else is actually achievable within both the overall funding and with the current rates of inflation and cost control. But to answer your question, in our evidence we said we doubt that that
is going to be a fair representation while trying to meet the other wider Government targets on encouraging people to use public transport.

**Q701 Clive Efford:** So your answer to the next question, will it impact on passenger growth forecasts, will be yes, but could you give us some more detail?

**Mr Haynes:** It will. With petrol prices having gone up, as you have all seen lately, that may not have such an impact, but it will, we think, have an overall impact when people have a choice, when the costs appear to be two or three times what an air fare costs, because most people are now used to getting low-cost airlines as well.

**Q702 Clive Efford:** So do you think it is realistic to expect that the increase in the number of travellers alone can balance franchise operators’ books without additional fares?

**Mr Haynes:** It does not look like it, judging by the new franchises that have been let.

**Q703 Clive Efford:** In terms of impact on the growth of the railways, not in terms of passenger numbers but capacity and other schemes, what do you think about that?

**Mr Haynes:** The White Paper takes a fairly conservative view about the overall growth, as we have said earlier, so that in terms of the actual cost benefits of individual schemes they might not be too affected, unless we have a really serious recession where the GDP will affect it, but overall we think that it could start to have an overall detrimental effect on the mode share.

**Professor Begg:** The bigger known is the change in GDP and what is going to happen to the economy. In the railway in the past we have worked on the assumption that a 1% growth in GDP would increase rail passenger demand by around 2%, maybe just slightly over, but if anything the evidence from the last five years is that we have got much higher income elasticities than that and certainly the evidence we have gathered from the north of England, especially on that trans Pennine corridor, would tell us that something very different has been happening in the last five years. I think the big concern on railway franchises is that there have been some bits from TOCs which have been based on pretty heroic assumptions on GDP.

**Chairman:** I want, if I may, to move on.

**Q704 Mr Clelland:** Just on the high speed rail point, if it is possible to calculate what we call these days agglomeration benefits of high speed rail by saying 40 minutes off a journey will result in X million pounds worth of benefits. What cost benefit analysis has been done on a system, say like Maglev, which could actually halve (or even more than that) the journey times between, say, Newcastle and London?

**Professor Begg:** That would be factored in if you wanted to look solely at Maglev.

**Q705 Mr Clelland:** Has any cost-benefit study been done?

**Q706 Mr Scott:** Mr Hobbs, how would you ensure the level of service you hope to achieve on the London Overground concession is replicated on rail services throughout London?

**Mr Hobbs:** As you know, we are trying to increase the level of train service, the facilities at stations and the condition of stations to a new and higher level. The main way in which we would choose to work is to work with colleagues in the Department for Transport as they re-let franchises. So as they come up, we would make the case for a level of service commensurate with the overground, similar to the overground on the new franchises as they are re-let.

**Q707 Mr Scott:** To what extent could the London Overground be a model for the development of the rail network elsewhere in the country?

**Mr Hobbs:** We think—and this is always a balance—the overground model offers some significant advantages, certainly for our part of the country and the economic and social conditions in which London finds itself. For example, standards of service which are even across the network so customers know what to expect and do not have to, for example, look up timetables or put themselves out. Next up, the integration of the service through, for example, ticketing as well as through facilities, so CCTV everywhere, pay-as-you-go ticketing across the region—

**Q708 Chairman:** There are difficulties with that, are there not, Mr Hobbs? I do not think we want to go into that, but why are you so sure you can actually do that?

**Mr Hobbs:** Pay-as-you-go or the standards generally?

**Q709 Chairman:** In the whole question of integrating the ticketing system.

**Mr Hobbs:** Technically, it is no problem to do. Commercially, there are all sorts of problems. The technical problems are solvable with time, energy and money and we await—

**Q710 Chairman:** I am sure most things are solvable with time, energy and money. I mean, if I was 30 years younger I would be a right goer, but that is not the point! I do not have time to think about it. How long are you going to think about it?

**Mr Hobbs:** We are hoping to install pay-as-you-go within the next year.

**Q711 Chairman:** I see. Is there any reason to believe that is a realistic assumption, Mr Hobbs, on all the franchises?
Mr Hobbs: Subject to our ability to meet the commercial terms which the TOCs have set us, and there is the rub!

Q712 Chairman: That is quite a reservation, is it not, really?

Mr Hobbs: It is a reservation, we make no bones about that, yes, but we are working with all haste and all our efforts to ensure that.

Chairman: I am sorry, I intervened, Mr Scott.

Mr Scott: No, no, your intervention was absolutely first class, especially about being a bit of a goer!

Chairman: Well, hope survives!

Q713 Mr Scott: Mr Hobbs, London Underground. How are we going to look at improving the services given to passengers? I have 14 stations servicing my constituency and some of the conditions passengers have to travel in I do not think we would legally be allowed to allow animals to travel in, so how are we going to improve that?

Mr Hobbs: You are thinking particularly of crowding, perhaps?

Q714 Mr Scott: I am thinking of the conditions of crowding that people have to travel in, as I did myself this morning.

Mr Hobbs: With London Underground we have a series of line upgrades which are in effect now, so that work will spread out over a period of years. There will be a series of line upgrades going around the network. Each line is slated for an upgrade over the next decade, some sooner, some later, and that will add cumulatively in excess of 20 to 25% capacity to the network as a whole, and that will help to alleviate some of the worst excesses of crowding. I do not mean to say by that that everyone will have a seat, but the worst crowding will get better over that period of time.

Q715 Mr Scott: You say a decade?

Mr Hobbs: Most of the line upgrades will be done by 2016 and the last one is the Bakerloo Line in 2020.

Q716 Chairman: I am not clear really, Mr Hobbs, who is going to pay for all of this and who is taking responsibility for what. Some of these overground lines are already involved in very intricate schemes with the rest of the railway system, are they not? What deals have you done? What agreements have you reached? Have you done a deal with the Department? What is it?

Mr Hobbs: Is this for the Underground or National Rail?

Q717 Chairman: Both. I mean that bit of the overground that you are taking over. You are assuring Mr Scott he is going to have all these marvellous extra seats and it is all going to be done in ten years. What about the rest of it?

Mr Hobbs: For the Underground there is funding in our recent comprehensive spending review settlement for the line upgrade—

Q718 Chairman: Within 10 years?

Mr Hobbs: For the line upgrades on the Underground, yes. For the overground, that again is a funded project which is funded through our business plan as a result of the comprehensive spending review settlement with DfT.

Q719 Chairman: Could you give us some figures, Mr Hobbs?

Mr Hobbs: For the value of each of the projects?

Q720 Chairman: Can you tell us how much of it is funded, the length of time and the size of the budget?

Mr Hobbs: I could do. I would have to get back to you in writing rather than—

Chairman: Fine. You get back to us and we will get back to you.

Q721 Graham Stringer: Mr Haynes, last week or the week before we were told that the improvements to Birmingham New Street were really just extra passenger capacity and did not increase the capacity of either the number of trains or the number of passengers actually on trains. Is that true?

Mr Haynes: No, it is not true. The New Street investment, £388 million from three sources of funding, that is the public sector funding in New Street—it is about a total £600 million scheme—both increases the overall, as you say, passenger handling capacity but allows within the station for longer trains and a few extra trains, but mainly longer trains because of the elements. So it will add 50 to 100% capacity within New Street of passenger handling, the numbers of passengers through the station, both on the trains and in the station.

Q722 Graham Stringer: What will be the increase in capacity by having longer trains?

Mr Haynes: Increasing capacity by longer trains is 50% approximately. It varies by route. Obviously, when you have got a Pendolino with nine cars at the moment with the potential for up to 12 cars, New Street can handle a 12 car. You are not getting a 50% increase there, although the Government is arguing in the White Paper that it is roughly 50% on the West Coast Main Line.

Q723 Chairman: But not at Birmingham, I think, Mr Haynes, which has some unique qualities?

Mr Haynes: Correct. That is what I am saying. But on some of the regional services, which is two coaches at the moment, doubling that to four coaches, or five or six, and most of the local services are six.

Q724 Graham Stringer: Will the capacity of the number of trains, as opposed to the size of the trains, increase?

Mr Haynes: Very slightly. There is room on a thirteenth platform which could have a detailed impact on that, but really it is marginal in terms of the numbers of trains because that relies on signalling alterations and on obviously what are called the rules of the route, the number of trains you can run on each of the routes. The city is planning
for additional capacity to add on to New Street so that the overall capacity in Birmingham will increase significantly by trains as well as passengers.

**Q725 Graham Stringer**: Professor Begg, you mentioned before you did not understand the growth in passenger numbers, what was driving it. I think as a Committee we have been surprised and are trying to understand what numbers the Department actually means, because we have been told as a Committee that the numbers are not actual passengers, they are tickets, so that if you are one person going on one journey on two franchises then that counts as two journeys, and that if you go into London and your ticket allows for two destinations that counts double. So can we rely on the figures for growth which the Government is putting out?

**Professor Begg**: I think the key question is, has there been a fundamental and permanent shift in this relationship between income and rail travel?

**Q726 Graham Stringer**: I think that is an interesting question, but it is not the one I am asking. I am asking a question about the figures the Government gives us and what they mean compared with figures used under British Rail, where it was one person, one ticket, one journey, and you could understand that. So how can we compare them? How do we understand them?

**Professor Begg**: It is difficult to make historical comparisons because there has been a change in how we measure it, but the point I am making is that given that change, should we be changing our forecasts on the capacity we need on the basis of this fundamental change between income and rail patronage.

**Q727 Graham Stringer**: I do understand that. I will come back to it one more time. If the Government is saying—I cannot remember what the figure is—that there has been an 8% growth over the last three years, what would that mean in terms of real extra passengers?

**Professor Begg**: I do not have an answer to that.

**Graham Stringer**: Does anybody?

**Q728 Chairman**: Mr Haynes wants to make a wild guess!

**Mr Haynes**: If only it was true! What I would say is that it was the ticketing analysis and the Government used various elements. As far as we are concerned at the regional level, we allocate passengers, so we actually measure the number of people getting off the train and getting on the train, and we interview them and ask them where they have come from. We use our own figures. In fact, the figure in the Birmingham one, in the appendix, ours is slightly higher than the figure in the Government’s one. We have 33,000 for the same figure that they have quoted, 32,000, for 2008/9. So as far as we are concerned it is real growth. They are real people who are getting on and off the train. You can only do so much analysis before you go into the old ticketing data.

**Q729 Graham Stringer**: Can I come back to David Begg? You talked previously about the Manchester Hub and bringing all the Sheffields closer together and taking all the pinch points out of the system. Given that is important in the north of England, was the investment in Birmingham and Reading the right decision or would we nationally have got more benefit if the Government had invested in the Manchester Hub concept?

**Professor Begg**: We have not studied Birmingham and Reading and whether these were the right decisions. I think we were surprised, though, that the Manchester Hub was not included in that announcement at the time.

**Q730 Graham Stringer**: Rosie Winterton bounced into Manchester just about the time Crossrail was announced to say that we were going to get a study on the northern rail. Do we need a study? Have there not been umpteen studies about the pinch points in the system? Could not somebody, if they had a few billion in the bank, just sort it?

**Professor Begg**: There have been studies and most of them have been carried out by Greater Manchester Passenger Transport Executive, but what you will find is that different stakeholders have got different views as to what needs to be done around the Manchester Hub. For example, one of our, Northern Way’s, big concerns is the huge growth in container traffic across the Pennines. We are anticipating something like 60 container trains a day travelling from the east coast ports in the north of England to the west coast ports. We think there is a real capacity problem. We think there are big pinch points around the Manchester Hub. So that produces a different solution than if you are trying to get people to say more trains into Manchester Airport, or if you are trying to deal with commuter traffic. So I think we can build on the previous studies, but I do think we need to bottom out exactly what we are trying to do.

**Q731 Graham Stringer**: Thank you. Mr Johnson, would the South West be a better place if you got rid of First Great Western?

**Mr Johnson**: If I can give an honest answer, Chairman—

**Q732 Chairman**: We do not like any other answers around here, Mr Johnson!

**Mr Johnson**: Very definitely. We are concerned about their franchise and the performance in the region.

**Q733 Graham Stringer**: Have you made representations to the Secretary of State when she gave them a relatively trivial fine for misleading the Department and not complying with its franchise?

**Mr Johnson**: I do not think with the Secretary of State when she gave them a relatively trivial fine for misleading the Department and not complying with its franchise?
representations in a marginal improvement, but I think we would be happy not to have that particular train operating company.

Q734 Mr Leech: Can I ask about fares? Is it sensible that the travelling public should bear a bigger proportion of the costs of rail investment?
Mr Hobbs: Naturally, in the best of all possible worlds we would prefer lower fares. There is always a balance to be struck in the sense that other things equal, lower fares means less money and less money for the capacity improvements we all want to see, given the growth in rail demand that is observed already let alone forecast into the future. I think one positive thing we can definitely say from the White Paper is the move towards a greater simplicity of fares.
Chairman: They will not be any cheaper, but you will know why.

Q735 Mr Leech: What impact do you think there would be on significant fare increases to the Government’s forecast growth?
Mr Hobbs: David mentioned some of the impacts on GDP. We have done similar statistical exercises. I think every 1% increase in fares reduces demand by about 0.25%, so there is definitely an impact and that demand would tend to shift over to modes such as the private car.

Q736 Mr Leech: Are there particular segments of the industry that would be most affected by significant increases?
Mr Hobbs: There will be segments such as the leisure segment and in general the long-distance operators, given that the absolute level of the fare is higher, so those two segments in particular as opposed to commuting, which would be a bit less affected.

Q737 Mr Leech: Should fares be linked to performance of the Train Operating Companies?
Mr Hobbs: I think there are better ways of measuring and rewarding performance of Train Operating Companies than the level of fares. I think there is a more direct way to improving the behaviours of train operators.
Mr Leech: Do the others agree with that?

Q738 Chairman: Mr Johnson, should we actually reward them?
Mr Johnson: If I could just come back to the earlier point about the importance of the ticket value. Certainly one of the studies we did with the passengers between Bristol Temple Meads and Birmingham was that there were three considerations. One was performance, secondly was reliability and thirdly was the value. Now, how you actually quantify the value I am not too sure, but clearly the ticket price was very much related to the service they were getting on that route. It would, I think, deter people from getting out of their cars and travelling by rail by putting an increase on it. There clearly is a level. I couldn’t tell you what that level is, but there must be a point where passengers will deterred from changing their mode of travel, so it is a consideration.

Q739 Mr Wilshire: Could I take Mr Hobbs back to his expectations of higher fares and that the money from those fares will be partly used to improve the quality of service in the area he talks about? He also talks about integrating the services in London with the fringe outside London, part and parcel of the policy he has for the overground, so that money would be taken from the fringe of London and taken into the London priorities. Now, the priorities of the people I represent just outside London are not the priorities of the people inside London. When money is taken from people like my constituents will it be used for their priorities or for London’s priorities?

Mr Hobbs: I think it will be used for shared priorities.

Q740 Mr Wilshire: What are the shared priorities?
Mr Hobbs: For example, one of the things the White Paper suggests is the right thing to do—and I am trying to think of one that is relevant here—is to improve the quality of service into Waterloo and there some of the fares revenue along with public money would be used to upgrade the lines into Waterloo and the station itself to enable that to happen. That would benefit people who travel within the London boundary as well as people beyond.

Q741 Mr Wilshire: The clash of priorities is what I asked you to address. The people outside London certainly want to improve the service into Waterloo, but they want to get there quicker. The people inside London want more trains to stop. Which of those two will you go for?

Mr Hobbs: I don’t think necessarily there is or need be any such conflict, and certainly the ideas that we see—

Q742 Chairman: You have found a new way of getting trains to still stop and get there quicker!

Mr Hobbs: One of the ways of managing to square the circle is to have longer trains such that you get the additional capacity on all types of service.

Q743 Mr Wilshire: But even if they are longer trains, the whole train has to stop, not just part of it, so it will not get there any quicker.

Mr Hobbs: I don’t think we are suggesting that there will be wholesale more stopping points along the route into London.

Q744 Clive Efford: Just on capacity, Mr Hobbs, can you tell us what contact you have had with the ROSCOs and train manufacturers about the plans you welcome in your evidence for 900 additional rail carriages for London, and how confident are you they will be delivered on time, particularly in relation to Thameslink?

Mr Hobbs: We in Transport for London have not chosen to deal with ROSCOs and the trains we have bought for our overground service we have bought...
Q745 Chairman: It is a rather nice point, is it not, Mr Hobbs? It is every so slightly dancing on the head of a pin! “I don’t deal with the bankers, but I do actually do a lease with somebody else who deals with bankers.”

Mr Hobbs: The reason why we chose to do that is that we felt we could get better value for money than going directly through the ROSCOs, given the levels of service one gets from a ROSCO lease, and buying the train service and seeing them roll off the manufacturing line reduces the level of risk and therefore we will get a better value lease at the end of the day, money that we can re-use to invest in other parts of what we want to do.

Q746 Clive Efford: So the 900 carriages you refer to in your evidence are going to be purchased by TfL?

Mr Hobbs: No, the 900 carriages are part of the national rail network fleet. TfL has bought on its own account a fleet of 50 trains for the overground, but just for the overground. Some of the trains which are on the existing overground will be re-used in the rest of the national rail fleet.

Q747 Clive Efford: My point is that TfL is seeking to have influence on the overground serving London. This is a significant part of increasing capacity for London. We have had evidence from the manufacturers that they do not think these carriages can be delivered on time. Now, what discussions have you had about this? If you are planning ahead for London, how confident are you that these trains are going to be there for anyone to purchase, whether it is TfL or anyone else?

Mr Hobbs: What we have done is to make our own estimate of what rolling stock is required and to what type of design, since that matters in the environment in which they are used. We have cast a slide rule over the DfT’s numbers to see whether we think we ought to have”?

Q748 Chairman: I think you have rather missed the point of the question, Mr Hobbs. We have taken evidence from the manufacturers that it cannot be done, but you are saying that your slide rule tells you it can? Am I misinterpreting what you are saying?

Mr Hobbs: I have not been party to that evidence. I cannot comment on that. I don’t know enough about what the DfT has or has not agreed with the manufacturers.

Q750 Clive Efford: They are saying specifically that the Thameslink carriages will not be there to buy.

Mr Hobbs: I cannot comment on that. I don’t know enough about what the DfT has or has not agreed with the manufacturers.

Q751 Chairman: No, Mr Hobbs, I am sorry. You have just told us that you have looked at their figures and you think they are okay. That is what you said to Mr Efford, a kosher set of figures.

Mr Hobbs: Set at a high level. I thought that the numbers of additional rolling stock, the 1,000 additional vehicles, looked about the right number over the timescale to 2014.

Q752 Chairman: Oh, I see. So we are just talking about an abstract, “Yes, that is the sort of number we think we ought to have”?

Mr Hobbs: Yes, that is right.

Chairman: I see.

Clive Efford: Well, I have got evidence to suggest to you that perhaps you might want to have a chat with people like Bombardier to find out if there are going to be any trains to buy at the right time! I have got nothing more to say on that.

Q753 Chairman: I want to ask you about inclusiveness because you say it is too complex in the arrangements that are being made, but then you say, “Why weren’t we involved and why aren’t we allowed to specify station improvements?” So how do you get a balance between inclusiveness and efficiency?

Mr Hobbs: I think what we are saying is that what we would like to see is a greater degree of integration with the other modes within London. Railways are always a little bit apart, a little bit special, and there are many ways in which we could make the customer feel more at home through a greater degree of simplicity in what is offered in terms of the station facilities, in terms of the condition of the stations, in terms of how the train service is delivered and in terms of the ticketing, and that would also have some opportunities for efficiency.

Q754 Chairman: Yes, but you were actually criticising the arrangements as far too complex, were you not? You were not criticising the ability of passengers to understand what was being proposed and saying that that should be simplified, you were actually criticising the complexity of the arrangements, were you not?

Mr Hobbs: I think what we were noting was that the process as a whole whereby you take the White Paper and the HLOS, pass it through a series of other bodies was one which involved a lot of stages and there must be ways of making that slicker in the future, especially now that this is a new process and one that hopefully will become more well known and well understood going into the future.
Q755 Chairman: Mr Haynes, I want to ask you briefly some questions on the stations. Are you still sticking with this assumption that you can get people off the concourse into the trains in Birmingham in six minutes flat?

Mr Haynes: We are indeed. We have got lots of new escalators, steps, et cetera, not just the up escalators that are there at the moment.

Q756 Chairman: How many people do you expect to have on one of your new longer trains?

Mr Haynes: Well, now you are asking!

Q757 Chairman: Well, you have done an estimate of the number of carriages, so you must have some idea of how many people you intend to carry?

Mr Haynes: It depends whether it is a regional service—

Q758 Chairman: No, Mr Haynes, you have just told me that you are going to get rid of a lot of the two trains that come in from different angles on Birmingham because you are going to have longer trains. So you are going to have fewer trains but they are going to be longer, although are they necessarily going to replace two trains coming from different directions and meeting in the middle?

Mr Haynes: No, not fewer trains, the same number of trains or slightly more. Not fewer, longer, and presently they may carry something like 300 people if you have got two coaches, and it could be 600 on the new one, et cetera.

Q759 Chairman: If they are longer, Mr Haynes, and they are the same number, how are you actually going to get them into the station, or are they going to have sort of rubber bits at the end?

Mr Haynes: No, no, the platforms are long enough. It certainly takes cognisance of the longer term on certain issues, such as rolling stock, where they have to take a longer term view, but when it was said to be a 30 year wide paper it is very, very concentrated on the control period up to 2014 and things like the high-speed line is sort of shunted into a siding, or whatever it is, as being too difficult a decision. “We can put it off to the next control period.” So for a lot of the key projects—and Northern Way, David, mentioned the Manchester Hub—it doesn’t really address that medium term issue, some of which they need to start planning for now.

Q760 Mr Martlew: Just on the length of the trains, that may be fine at Birmingham, but what about the stations either side where it is going to stop?

Mr Haynes: You will see that in the White Paper it refers to a platform lengthening on pretty well all the lines into Birmingham and it will go to other major cities as well. That is being allowed for and is being currently planned by Network Rail. On the occasional station where you can’t lengthen the platform, then they are looking at selective door opening.

Q761 Mr Martlew: That means you are not going to be able to introduce these trains until all the platforms have been lengthened?

Mr Haynes: There is platform lengthening happening on the Coventry corridor at the moment to take the longer trains and it is being planned in conjunction with the acquisition of the new rolling stock.

Mr Martlew: Thank you.

Q762 Chairman: Are you happy about the adequacy of the forecasting in the figures which have been put out in the Department’s model? Do they take account of the housing and employment patterns which are going to develop?

Mr Haynes: We don’t believe they do. We believe they don’t fully take this into account. You need to look at it, as in our evidence, on a regional and a sub-regional basis in order to plan accordingly.

Q763 Chairman: So how are you going to do it, through planning assessments and utilisation strategies?

Mr Haynes: Network Rail have started on the West Midlands one now and we are working with them on addressing the growth across the region to be taken into account, and they will be liaising with the North West region because it covers wider than one region, and we are working with the Great Western side as well.

Q764 Chairman: How much do you agree that the White Paper focuses on the short-term at the expense of the long-term?

Mr Haynes: It certainly takes cognisance of the longer term on certain issues, such as rolling stock, where they have to take a longer term view, but when it was said to be a 30 year wide paper it is very, very concentrated on the control period up to 2014 and things like the high-speed line is sort of shunted into a siding, or whatever it is, as being too difficult a decision. “We can put it off to the next control period.” So for a lot of the key projects—and Northern Way, David, mentioned the Manchester Hub—it doesn’t really address that medium term issue, some of which they need to start planning for now.

Q765 Chairman: Professor Begg, how about additional investment on the TransPennine network? Is that important?

Professor Begg: Yes, we think it is absolutely critical. The challenge we were posed by Government was to come up with evidence on how transport investment can boost the economy. If anything, what we are doing is actually trying to make sure that transport investment is responding to the growth in the economy in the north of England. With the work we did on new high speed rail routes what surprised us was just how important that TransPennine link was. We think there are huge economic benefits if we can get cities like Leeds and Manchester working in tandem, working closer together. I think there is a lot we can learn from the way the Scottish Executive, who seem to be resourced better, are dealing with two very similar cities, Glasgow and Edinburgh. They are a similar distance apart. On the size of the cities, if anything Leeds and Manchester are larger, but the Scottish Executive have got some fairly ambitious plans on how to improve rail connections between Glasgow and Edinburgh.
Chairman: I am sure they have got ambitious plans, but of course they do not quite have to deal with the same problems of funding, do they? But we must not get into anything sordid like discussing money! Gentlemen, you have been very useful and very helpful. Thank you very much indeed.

Witnesses: Mr Tom Harris MP, Parliamentary Under-Secretary of State for Transport, and Mr Bob Linnard, Director, Rail Strategy and Stakeholder Relations, Department for Transport, gave evidence.

Q766 Chairman: Good afternoon, Minister. I am sorry to have kept you waiting, but you are always warmly welcome whenever you come and whenever we get you through the door. Would you be kind enough to identify yourself and your esteemed colleague?

Mr Harris: Thank you, Chairman, and it is a pleasure to be in front of you again. On my left I have Bob Linnard, the Director of Rail Strategy.

Q767 Chairman: Did you have something you wanted to say to us? You are actually, I think, Tom Harris?

Mr Harris: I am Tom Harris, the Parliamentary Under-Secretary of State. Could I just begin by offering a few comments? I will leave most of my comments for the questioning. This is about the White Paper and I hope that the Committee will look at the White Paper from a historical perspective, and I know you of all people do not need to be reminded about the historical record as far as the railway is concerned. Under nationalisation the railways from one year to the next had no assurance of long-term funding. It was always a one year sorted and then another year. Then there was privatisation and the legacy of Railtrack, and we all know about what happened there. We have had five years of Network Rail and now for the first time we have got what the industry has actually been asking for for a long time, which is a short to medium term investment plan which is set in stone and is guaranteed for the next control period. Very briefly, as you know, HLOS is about 1300 new carriages, it is about Thameslink, it is about Birmingham New Street and Reading, but there have also been developments since HLOS. We have had the announcement of Crossrail funding and I have taken the Crossrail Bill finally through its House of Commons stages. We had the opening last year of St Pancras and the final stage of High Speed 1, and just yesterday the Secretary of State announced that she is inviting Network Rail to look at developing complex future options for some of our long-term transport challenges, which will include either the conventional or possibly high-speed rail, or other lines or other forms of transport, and I am happy to accept questions on that. Ultimately, the bottom line for me, and I have said this before, is that the railways are not run for politicians and they are not run for the industry, they are run for passengers and we must always remember that it is the passenger experience which for me is the most important thing in all of this. I will just end by saying this: now is a very good time to be the Railways Minister and very few of my predecessors have been able to say that. That might be not what I am saying at the end of this presentation, but that is how I feel at the moment, Chairman!

Q768 Chairman: Well, Minister, we are always pleased to laud the tremendous advances which have been made and I do not think anyone would disagree with many of the points you make, but you will understand that of course your role is to provide strategic direction and to procure railway services and projects which only it can specify. So when we criticise both those aspects of Government policy which seem to us not to go far enough and not to expand far enough, this is not to be taken personally, as some of your colleagues have occasionally done. It is a demonstration of the fact that it is because we know what has been done and what needs to be done that we feel we have the right to ask you whether you are doing exactly what the passenger needs and wants.

Mr Harris: Absolutely.

Q769 Chairman: Therefore, we are grateful to you for those cheerful words. I am delighted that you feel so happy in your ministerial job, which is always an advantage to someone, and I am very grateful to you. But let me ask you something boring. What about the repeated engineering overruns and the failure to learn lessons? Are those not symptomatic of a deeper structural malaise within Network Rail?

Mr Harris: I would not agree that Network Rail has refused to learn lessons.

Q770 Chairman: Well, do remember that both you and I have taken evidence of previous overruns and previous projects where there were precisely the same sorts of problems which arose at Rugby, and the Department and Network Rail did not seem to learn from it.

Mr Harris: Chairman, you know in detail the ORR report on the overruns, and probably in far better detail than I do, so you know that the ORR themselves have said that as far as Rugby is concerned an element of overrun was probably unavoidable. I cannot remember the exact words they used. To suggest that because overruns do occasionally happen I do not think necessarily leads me to the conclusion that lessons have not been learned and I have spoken in great detail with Iain Coucher following what happened at the New Year and I have to tell you I am impressed by two things: one, the robustness of the ORR inquiry, and I took very seriously its conclusions, but also the commitment from Iain Coucher and the people
around him, an acceptance that they got it very wrong and a determination to learn from the mistakes exactly as you are saying is important.

Q771 Chairman: You do not think the overruns cast doubt on the ability of Network Rail and the contractors to deliver the work set out in your High Level Output Statement?

Mr Harris: I do not think that. I think that with a network the size of the one that Network Rail is in charge of it would be optimistic in the extreme to expect there to be no engineering overruns. Given the amount of money that we have been spending on the railways and given the amount of money we have committed over the next control period, that money inevitably means that there will be far more engineering possessions than there were in the days when there really was not an awful lot of investment going into the railways. So in one sense it is the Government’s responsibility that possessions happen because we are actually providing the resources for that. Of course it is up to Network Rail to make sure they do not overrun, but I see every indication that Network Rail—and it is not in their interests, certainly, not to learn those lessons. They do not want to be pilloried in the press and have angry ministers on the phone asking what on earth happened, and they are quite clearly committed to learning from the mistakes of New Year and other possession overruns as well.

Q772 Chairman: Yes. I think the difficulty I have is that the recent Office of Rail Regulation Monitor said that “renewal and enhancement work continues to be deferred on a regular basis: expenditure was 12% below budget in the year to date, largely as a result of deferrals and project delays.” Now, that is a very significant underspend, is it not? Do you not think one ought to worry about a system which is apparently deferring work and not spending the cash that is available?

Mr Harris: I am not entirely familiar with the report you have just quoted, Chairman—

Q773 Chairman: Well, I can assure you I am not above making things up, but that is actually a genuine quote!

Mr Harris: That was simply a reminder to my official to get me a copy so that I can read it after this session.

Q774 Chairman: Excellent! I am sure they have got it there.

Mr Harris: I would certainly be concerned. Yes, I understand why there would be concern if, as I am sure you quite rightly say, Network Rail is underspending on its maintenance or renewal budget. I would also be concerned if there was an overspend, and sometimes I feel it is actually quite difficult for Network Rail, or indeed any other organisation in similar circumstances, to get it exactly right because they are not spending exactly what the budget is. I will confess ignorance on that particular case, Chairman, because I am not familiar with that particular report.

Q775 Chairman: I understand that, Minister, and nobody expects you to micromanage the system, but this is not quite the same set of circumstances. We have taken evidence from Network Rail. We were concerned about their governance. Do you think they have got the right arrangements? Do you think the Chairman’s relationship with the CEO is the right one, and can you tell us of any other major public organisation of a similar size and importance which has a similar governance structure?

Mr Harris: On the last question, Chairman, no, I cannot.

Q776 Chairman: Would you be worried if, for any reason, the CEO had real difficulties and was not able to be the public face of the organisation and the chairman of the board said he did not go near the office for four years—four days, not four years. It may have seemed like four years to the rest of us, but actually four days is enough, because he did not want to get in the way. It is very tactful of him, but is it what you expect of the chairman?

Mr Harris: I am willing to stick my neck out, Chairman, and suggest that that period of New Year was not Network Rail’s finest hour.

Q777 Chairman: Well, that sounds like a wild assumption, Minister! I can see you are a very dangerous and grossly over-optimistic person! Not their finest hour.

Mr Harris: I do not think it is for me to decide on Network Rail’s behalf which personnel should be involved at a particular stage.

Q778 Chairman: No, but it is your responsibility to work out whether their governance system is the right one for them, because you are giving them the cash and I am old enough and bad tempered enough to think that if you are paying you ought to have some control!

Mr Harris: Well, let us look at the governance arrangements. This was something which was looked at very closely by the Government in 2004 when we produced the Rail White Paper, The Future of Rail, and that was the result of a very extensive consultation within the industry. A whole number of options were looked at and what came back strongly from the industry—and this has not changed today—is that the industry is not in the mood, there is no expectation or enthusiasm for yet another restructuring. If I could just go back slightly to your earlier question about overruns. To me what is important is the actual output in terms of Network Rail. When we have consistently year on year improvement in the performance of railways in terms of the public performance measure, that is what concerns me more than the details of individual possession overruns because that actually means that more trains are arriving at their destinations on time, and if that is happening then Network Rail must be doing something right.

Q779 Graham Stringer: I do not know where to start. You said in your opening statement that the railway is run for passengers, not for ministers or
Mr Harris: Yes, I think they would think that and they would have every right to think that.

Q780 Graham Stringer: In that case, why are First Great Western still being allowed to tender for franchises?

Mr Harris: First of all, First—not First Great Western but First as a transport entity is probably one of, if not the biggest private sector transport operator in the world and they run very successful franchises, so I would no more say to First that they are not entitled to bid for any more franchises than I would say that because they have a good performance in First ScotRail that they have got the right to actually have the franchises in all of them. I do not think either position would make any sense. But they have let down their customers very badly in the Great Western franchise. We have made it clear there is now a legally enforceable remedial plan in place. If they breach that in any significant way, it is then open to the Secretary of State to remove that franchise. Now, that has actually never happened since privatisation. No company has ever had the franchise taken away from them for performance reasons and I think First are in no doubt about the seriousness of the situation.

Q781 Graham Stringer: That fact is that First Great Western lied, did they not? They gave false reasons for cancelling trains. Is that true?

Mr Harris: They misreported the level of cancellations.

Q782 Graham Stringer: Did they lie?

Mr Harris: I do not think so. Can I explain why I do not think they actually lied? Because my understanding is that their misreporting was the result—and I am not defending First Great Western in any way. I have no interest in defending First Great Western and I believe that criticism should be made where it is due, and it is certainly due of First Great Western, but my understanding of this particular point is that had they not misreported their cancellations the figures would have actually been better than what they reported, not worse.

Q783 Chairman: So they are incompetent crooks?

Mr Harris: That is a conclusion for the Committee to make, Chairman, not me.

Q784 Graham Stringer: So if they tell you inaccuracies but they are not to their disadvantage, they are not lying then?

Mr Harris: No. I think the word “lying” is a pejorative sense and I think—

Q785 Graham Stringer: It is pejorative. It is meant to be.

Mr Harris: Yes, of course, but I would not use it in the pejorative sense because I think what happened was they gave the Department figures which were wrong. I do not think that is necessarily lying, and they were figures which put them in an even worse light than the correct figures would have. So in that sense I do not see any logic in lying to make themselves look even worse.

Q786 Graham Stringer: How did the Secretary of State arrive at the £29 million fine?

Mr Harris: We have not fined First Great Western.

Q787 Graham Stringer: Well, penalties then. I am sorry, I think that is accurate.

Mr Harris: It is a £29 million passenger benefit package.

Q788 Graham Stringer: Some of which had already been agreed?

Mr Harris: Yes, that is right. I think some of the media misreported what this £29 million actually was. The £29 million was about the 500,000 extra cheap tickets to the most popular destinations in the First Great Western franchise. It was about extra rolling stock on some of the routes. That was actually additional to the remedial plan. The remedial plan was far more robust. It did not have a financial ceiling on it. It did not have a price on it because what we said in the remedial plan was about training extra drivers and guards. It was about providing extra capacity, it was about bringing down the cancellations, it was all about outputs.

Q789 Graham Stringer: Did the Secretary of State not put out a press release on 26 February saying that the remedial plan was £29 million?

Mr Harris: No, she did not actually. The remedial plan is, if you like—although the passenger benefits package is now legally enforceable, if you like, under a remedial plan, there were two different strands. I know this sounds a bit technical, but the passenger benefits part of it was actually, I do not think, the most important part of the remedial plan. The most important part of the remedial plan was all about outputs. It was all about getting cancellations down, and I have to tell you that as far as this figure put in by the press is concerned, I do not know how much First Great Western will have to spend on the training of the drivers and the training of new guards or on the procurement of new rolling stock and I do not care. All I care about is that they spend enough money to get their cancellations back down to an acceptable level and provide a proper service for their passengers. I have no interest in how much they have to spend, but I expect it will be considerably more than £29 million.

Q790 Graham Stringer: What do First Great Western have to do to lose this franchise? They cut the size of the trains by half and made passengers’ lives miserable. They put the fares up. They lied to the Department of Transport. What do they have to do to be driven out of the south west of England so that passengers can have a fair deal?

Mr Harris: Because we now have the remedial plan and because it is legally enforceable, if First Great Western fail to deliver in a substantial way, a
material way, that remedial plan they will be faced with the possibility—and we in the Department for Transport would have no legal barrier to removing the franchise. So every month that remedial plan delivery is monitored and if they do not deliver it they are in very serious difficulty. That is how the franchise system works because Train Operating Companies ultimately are accountable to the Department if they do not deliver on their franchise commitments.

Q791 Graham Stringer: Is it not the case that it is you—not you personally, Minister, but the Department—that has a difficult problem because First are scheduled to pay about £2 billion, are they not, in their franchise agreements? So does that not put you in rather a difficult position when that is a cost to the Department of £2 billion?

Mr Harris: No, not at all. If I could just explain that?

Q792 Graham Stringer: It is a lot of money.

Mr Harris: As I said at the beginning, my priority on First Great Western is to make sure that there is a service there which is a good quality service for local people and if First Great Western do not deliver it, then another Train Operating Company will deliver it. When GNER walked away from their contract, their franchise, at the end of 2006 exactly the same criticisms were raised, that they had pledged a certain level of premium to the Department and that therefore we were going to lose that premium. What happened in the franchising process that followed was that we actually gained a larger premium payment from a new operator for a shorter period.

Q793 Graham Stringer: So you will be very relaxed about getting rid of First Group if they fail this?

Mr Harris: No, I do not think I would be relaxed, but I certainly would not hesitate if that is what was needed.

Q794 Graham Stringer: Do you not think it begs the question as to whether the Department, which is in a position to lose £2 billion if it enforces the conditions on the franchise—people in the South West must be asking this question, why this wretched company is still there—is in a position of having a conflict of interest?

Mr Harris: Not at all. For the want of any doubt and for people in the South West region who are concerned about that particular point—and I accept it is a legitimate concern—let me just place on the record absolutely that any consideration of a lost premium (which I do not believe, incidentally, would be lost) would not be taken into account if First Great Western were found materially to have breached the remedial plan.

Q795 Graham Stringer: You said earlier, Minister, that you think no previous franchise had been lost. I think Connex was lost, was it not?

Mr Harris: It was lost, but not because of rail performance.

Q796 Graham Stringer: No, it was lost. Does that not argue for a point this Committee has been making for a long time? What would put my mind at ease is if there was a public sector operator that you could compare with some of these franchises who have not been operating, but it would also give you and us comfort that somebody could stand in and the industry would not step back because you had taken the franchise off them. Would that not give us all a lot more security?

Mr Harris: I have to disagree with you. First of all, the Secretary of State and the Department for Transport can step into any franchises and operate as a last resort. That is a right we have in every franchise and it is a right which was taken up in the Connex situation. But I think it is probably mistaken to assume that if we take one franchise into public ownership, therefore because it is publicly owned we would assume that the performance on that franchise would be so much better.

Q797 Chairman: You do not have a benchmark, Minister. We have had this argument before. You know what the arguments are.

Mr Harris: I do know what the arguments are.

Q798 Chairman: At the moment you do not have a benchmark, and when you had a benchmark you sold it back to the private sector. It is not a problem, is it? We know what the arguments are and so do you.

Mr Harris: When you say “a benchmark”, why would a publicly owned franchise create any meaningful benchmark?

Q799 Chairman: For the simple reason that when in fact the ones which were taking over from Connex ran their sector of the railway and not only improved all sorts of aspects of the governance and the control of the railway but showed what could be done, their reward was to be put up again for private profit.

Mr Harris: I do not have the performance figures for Connex before and after they had the contract taken away from them. I certainly do not accept that a publicly run train company, either franchise or national, would by definition perform better than a private one.

Chairman: I do not think we said that.

Q800 Graham Stringer: I do not think the Committee has said it would. What we have been asking for is for a comparator.

Mr Harris: We do have a public sector comparator and it is used every time we franchise.

Q801 Graham Stringer: But that is a theoretical one?

Mr Harris: It is. It is a computer model.

Q802 Graham Stringer: It is a computer train and people get on and off in the way that people get on in future lifestyle dealings in Cornwall?

Mr Harris: This exact policy suggestion was put to me at a meeting you chaired, Chairman—I think it was the ASLEF group of MPs—and this suggestion was put to me, and the person putting the question...
Q803 Graham Stringer: I would like you to answer this general point. I cannot see, and I am sure Alistair Darling cannot see, why you are so relaxed about a £2 billion fine, but I want to make a more general point about the structure of dealing with the franchises. One is that if you enforce the conditions we stand to lose a great deal of money and destabilise the industry because you have an interest. On the other hand — and this is one of the points the Chairman was making in the first place — if the Rail Regulator fines Network Rail, in the end it is the taxpayer who is fined. This is an extraordinary system of conflicts of interest. Does it not make you want to think very deeply and hard about the governance of the rail system?

Mr Harris: Can I just take you up on your first point, because I would not want the record to show that I am relaxed, as you say, about losing £2 billion. What I said was that I am relaxed inasmuch as I would not lose any sleep if I had to make the decision or the Secretary of State had to make the decision that First Group were to lose that particular franchise.

Q804 Graham Stringer: Alistair Darling would be losing sleep?

Mr Harris: I think experience shows that that premium, which you have already discussed, would not be lost to the DfT — and the premiums, of course, come to the DfT, not the Treasury — because we have the experience of GNER, where everyone predicted we would lose that particular premium and we did not. We increased it by getting a new contract to run, and I have every confidence that is what would happen with First Great Western but can I say on the record that the indications are that First actually are, understandably enough, taking our actions very seriously and I hope not to be in the position —

Q805 Chairman: One would hope so really, considering that the chorus of complaint has been almost deafening.

Mr Harris: I am disappointed that we have got to this stage where we have had to issue a remedial plan because I have had to answer colleagues’ criticisms of First Great Western. I have not been defending First Great Western, but I have been aware, you have been aware, the Committee has been aware, the media have been very well aware, therefore First must have been aware of the tremendous chorus of disapproval, as you say, and it is disappointing that we have got to this stage before they have actually delivered on a remedial plan.

Q806 Mr Martlew: On this point, I think earlier you said, Minister, when we were talking about First Great Western, that the action you took took away the legal barrier. Was there any legal reason why you could not take the franchise off them when you took the other action?

Mr Harris: Franchises are, of course, legally watertight documents and there is a legal process if you want to take a franchise off a particular TOC. The advice we had was that in the context of the misreporting of the cancellation data and a breach of the franchise, that did not of itself actually constitute a default of the franchise. However, a default of the remedial plan would and it is when you get to default that you can take away a franchise.

Q807 Mr Martlew: The reality is that what you are telling us is that legally you could take the franchise off them, but that has not come out until now, has it?

Mr Harris: I think every time you make a decision about the policing or the monitoring of every franchise you absolutely have to make sure that you are doing it legally, and that is all we are doing.

Q808 Mr Martlew: And you could not at this stage?

Mr Harris: Our advice was that we should move to a remedial plan.

Q809 Chairman: So in fact the answer to the question Mr Stringer asked you earlier on, what do they have to do, is practically murder one in five of their passengers every day before anybody can actually do anything about it?

Mr Harris: I think it is one in ten, Chairman!

Chairman: I see.

Q810 Mr Clelland: Minister, would you accept that were we to build two high speed rail lines on the east and west coast of the UK that would have quantifiable benefits to the economy?

Mr Harris: I know that the answer you want is “Yes”, but you would have to put a lot of caveats on that. First of all, you would have to ask which areas would it serve, how much would it cost to build and how long would it take to build, what would be the business case, what would be their projected customer base? It has been actually quite encouraging that ever since the opening of St Pancras and the opening of the second section of HS1 there has been a huge amount of enthusiasm for high speed lines in Britain, and I think that is all to the good and I think people are interested in railways again. But actually the debate has moved on since we published the White Paper and in yesterday’s speech by the Secretary of State she alluded to the fact that a lot of the debate on high speed lines is basically saying, “Well, here’s a solution. Now let’s look for a problem to answer it,” and actually what I think we should be doing and what the DfT actually will be doing for the rest of this year is that we are going to say, “Let’s identify what the challenges actually are in transport within the country, then let’s look at the different options.” There will be more than one option for meeting that challenge. “Then let’s look
at a solution.” But at the moment people are saying, “Well, we’ve got high speed rail as a solution, now let’s find the problem.”

**Q811 Mr Clelland:** Have you seen the recent Atkins study?

**Mr Harris:** I confess I have not read it in detail, but I am aware of it and I have read some of it.

**Q812 Mr Clelland:** The conclusion they come to is that the economic benefit to the UK will be £63 billion, which is more than twice the cost of building the two lines.

**Mr Harris:** That is right, but I think that is over 60 years.

**Q813 Mr Clelland:** But the fact is that it is economically viable at that rate, is it not?

**Mr Harris:** I am not saying that the high speed line is not economically viable, but let me say this about the high speed line. I think there is a number of assumptions. First of all, the Atkins Report is a good report from what I have seen. Greengage 21 are also doing some good work and Network Rail are going to contribute to that, and I think that is all to the good and it is all very helpful. But I think a number of assumptions are made about high speed and one of them is that it is environmentally friendly. Another is that it contributes to the economy. Another is that it will result in a certain amount of modal shift from planes to trains. A lot of these assumptions I am not convinced we have the empirical data to support. Take the environment. Not every environmentalist thinks that high speed is a good idea. The reason is—and I am sure you know this already—

**Q814 Chairman:** Not every environmentalist thinks the world is round! It is not a very good assumption to base transport policy on those views, is it?

**Mr Harris:** I am sure that is true, Chairman. I am simply making the point that some of the assumptions made to support the case for high speed are not borne out necessarily. It is more a shade of grey than black and white. For example, you need a 90% increase in the amount of energy for a train to push it from 125 miles an hour up to 180 miles an hour, which is where we generally assume high speed to be. You could argue that is not a good use of energy and therefore environmentally the case might not be made. Look at connectivity in Britain. Most of Britain’s urban conurbations are actually pretty well connected already. Another argument which is often put to me is that France, Germany and the Continent have these high speed lines, why can we not have them? There may be a case at some point in the future for a high speed line, but it is not going to be justified by saying, “Our neighbours have got it, therefore we should get it.”

**Q815 Mr Clelland:** Given what you have said, that a lot has happened since the White Paper and given this latest report with all the caveats you have just mentioned, is the Government now going to review its position on high speed?

**Mr Harris:** Our position on high speed was not no to high speed. I think what we are trying to develop is this new approach to planning, which as I have said is let us not start with the solution, let us start by identifying where the problems are and then let us look at the mix of solutions and choose the most appropriate solution, which might be high speed, it might be conventional speeds. If it is capacity that is the challenge you want to address, it might actually not be rail at all. But I would rather identify what the problems are.

**Q816 Mr Clelland:** The problem as far as the northern regions are concerned is the North/South divide. It is the old problem. We have not made a great impact on it and one of the solutions, not the only solution, to the North/South divide, it is felt in the regions anyway, is high speed rail. That is the problem. How is the Government identifying that?

**Mr Harris:** That is one of the issues. You talked about the economic benefits of a high speed line, and that is absolutely something the Government will be taking account of in the months and years ahead, and we should do that. But I simply come back to the point that I do not want to start off with the solution and then look around for a problem to fix.

**Q817 Mr Clelland:** But is the Government’s previous view about high speed rail holding despite the fact that things have changed, as you have said, since the White Paper despite this new study?

**Mr Harris:** It is holding inasmuch as we have not ruled them out. That has not changed.

**Q818 Mr Clelland:** But it is a sceptical view of it at the moment?

**Mr Harris:** No, I would not say it is sceptical at all. I think the one change—and this might not sound a terrific shift—is that the next time we produce a High Level Output Specification for publication in 2012 it probably will not be accompanied by a white paper on railways, it will probably be accompanied by a white paper on transport, looking at the whole range of transport solutions rather than just rail.

**Mr Clelland:** Thank you.

**Q819 Mrs Ellman:** The Northern Way has put forward a number of proposals for rail improvement, including TransPennine improvements. Are you going to back any of their rail proposals?

**Mr Harris:** We will obviously look at everything on a case by case basis. I know that is a cliché and I apologise if that just sounds a bit too vague.

**Q820 Chairman:** Do not worry, Minister, we are quite used to clichés!

**Mr Harris:** I try to avoid them when I can, Chairman, especially when I am sitting in front of you. A lot of what the Northern Way has concluded the Department is taking very seriously, but I would not say that everything in the report was going to be rubber-stamped and approved by the Department, or indeed by Network Rail, who are taking a lot of it forward.
Q821 Mrs Ellman: You made a comment just a couple of minutes ago about proposals for the future could be to do with transport in general and it might not just be rail. Does that signal a change in attitude towards rail by the Government?

Mr Harris: Not at all. As I said earlier on, it is a good time to be a railways minister. I am reviewing that position right now!

Q822 Chairman: That was at least an hour ago, Minister!

Mr Harris: Indeed. It feels longer! We are predicting and everyone is predicting—we may disagree about what the patronage increase will be over a certain period of time, but no one is predicting that the railway industry is going to shrink. We all know that people are voting with their feet and they are using the trains more. That is a terrific thing and we want to encourage that and we want to provide the capacity for that. So absolutely not. I am as enthusiastic about the railways as I have ever been, as is the Government. We can actually point to our achievements on that and we can point to the White Paper and to the HLOS to say, “Look, if anyone doubts our commitment to the railway, just look at this.” Clearly, there is no substance in any claim that we are turning our backs or going cold on railways, absolutely not.

Q823 Mrs Ellman: But what levels of growth are you actually planning for? In the White Paper you predict passenger growth of 30% over the next decade and the White Paper’s target is to increase capacity by just 22% and your submission talks about 14.5%. What are your planning for?

Mr Harris: Yes. I think we are comparing apples with pears here. The actual patronage growth over the HLOS period, which is 2009—2014, is on our calculations 22.5% and we are providing enough capacity to meet that and to improve it in most parts of the country, particularly in the urban conurbations outside London. But you are right in that over ten years that is probably going to be about 30%. Over 30 years we have said that we expect the network to be carrying double the number of people it is carrying today.

Q824 Mrs Ellman: The way the Government is funding rail is assuming an increase in fares to passengers. What is the effect of that going to be on anticipated growth?

Mr Harris: We are assuming that fares, both regulated and unregulated—apart from those two franchises that were announced before the White Paper was announced in July (I think, from memory, that was West Midlands and Cross Country)—do not have to rise by any more than the rate of inflation plus 1% over the HLOS period to 2014. Those are our revenue assumptions. Of course, in terms of unregulated fares it is up to companies to put them up more than that if they wish, but we do not think they need to go up by any more than RPI plus 1% over that period.

Q825 Mrs Ellman: Your written evidence talking about the future of the Saver ticket makes that future sound very uncertain. What are the implications of that for passengers?

Mr Harris: It is no secret that the Association of Train Operating Companies wanted us to deregulate Savers and they put up a fairly robust case on it, and I do not deny there is a case for deregulating Savers and moving to single leg journeys, but ultimately we made the decision actually that this was a move that the travelling public were not ready for and we basically disagreed with ATOC on this particular occasion.

Q826 Mrs Ellman: So does that mean the Saver ticket is safe?

Mr Harris: For the time being, but we are moving to a new structure of tickets later this year and I cannot, with all honesty, tell the Committee that in ten years’ time from now the fares structure will be exactly as it is at the moment.

Q827 Mrs Ellman: Are you satisfied with the systems for improving rolling stock?

Mr Harris: Improving rolling stock or buying new rolling stock?

Q828 Mrs Ellman: Buying new rolling stock.

Mr Harris: I do not foresee any changes to the structure as was agreed in the 2004 White Paper. So in terms of the rolling stock companies, in terms of the ability of Train Operating Companies to release that rolling stock, yes, I am happy with that. I do not see any changes coming forward for that.

Q829 Mrs Ellman: What about procurement?

Mr Harris: What about procurement? Bombardier tell us that there could be a saving of 10% if procurement was organised in a better way and there were not the peaks and troughs that we have now.

Mr Harris: Obviously, I would have an interest in seeing the figures. I am as keen as anyone to see money saved.

Q830 Chairman: I do not want to be unkind, Minister, because you are such a lovely fellow, but I do think that Bombardier have given you more than once a very clear indication of the figures and in fact I happen to know, because I was sent a copy at the time, that they sent you a very detailed paper in the last six months. I am sure Mr Linnard would confirm that.

Mr Linnard: We are aware of their arguments about predictability and trying to avoid peaks and troughs.

Q831 Chairman: But it was quite a detailed paper, so it is not just a commercial argument, Mr Linnard, is it? There were very detailed figures within that.

Mr Linnard: Yes, and what we have said in the rolling stock plan, which we published at the end of January, is that so far as we possibly can we will organise the procurement of the extra 1300 vehicles that are coming in over the HLOS period in a way that minimises, so far as we can, peaks and troughs in the manufacturers’ order books.
Q832 Mrs Ellman: Is there any rolling stock being stored anywhere which could be brought into use?  
Mr Harris: There is occasionally some rolling stock which is at the end of its lease ready to be re-leased in the short term, but media reports of large quantities of rolling stock lying unused even though it is useable is not true. There is actually quite an inconvenient shortage of rolling stock in the industry, and this goes back to when I criticised the privatisation plan back in the 1990s. There was expected at that time to be a surplus of rolling stock at all stages, so that when franchises changed hands they would have a choice of rolling stock. That has not happened because of the growth of the industry, which is why we are committed to buying or procuring these 1300 new carriages. So if there is occasionally stock at the end of the lease waiting to be re-leased, that is an inevitable part of cascades but it is not a particularly worrying aspect of the leasing system because it does not happen in the long-term.

Q833 Mrs Ellman: Will the current orders from new rolling stock improve overcrowding, or will it just be keeping up with the increase in the number of passengers?  
Mr Harris: It will improve overcrowding. It comes to a judgment about whether people can actually tell. In a very, very crowded train if there is a 10% increase in capacity sometimes you could be forgiven for not noticing that there has been that 10% increase. But ultimately, yes, it will improve capacity in London, all London stations apart from Moorgate (which is going to be relieved by Underground development) and in all major cities outside London. But—and I may regret saying this—you do hit on a valid point in that one of the consequences of a growing railway, of success, is that it could be perceived that we are sometimes running to keep still. It is, I have to tell you, a much better position to be in than worrying about falling patronage, but we are doing everything we possibly can to meet that capacity challenge because overwhelmingly that is the most important challenge we are facing at the moment.

Q834 Chairman: We have just taken evidence, Minister, that far from being bigger carriages—you may be right that people will not notice the extra room, although I would be surprised, but what they would notice is if there were fewer seats, and with the combination of the cascade and the new procurements there will be some lines that have smaller carriages, is that not the case?  
Mr Harris: I am not intimately familiar with the design of some of the new rolling stock.

Q835 Chairman: No. Mr Linnard, is it not the case that some of the rolling stock that is being moved from one area to another will in fact be smaller carriages than the ones they have at the present time?  
Mr Linnard: What they are interested in is not the physical configuration of the carriages but the amount of new capacity that is provided into the London stations and to the big cities outside London.

Q836 Chairman: So you do a calculation which involves not just seats but size of carriage, the numbers of trains, is that what you are saying?  
Mr Linnard: Yes.

Q837 Chairman: So it is true that some trains will actually be smaller than the ones at the present time?  
Mr Linnard: What we are interested in is the total capacity. The way that capacity is provided depends not just on the Department’s planning but critically on the decisions that train operators make and the negotiations they have with rolling stock manufacturers and leasing companies.

Q838 Chairman: But you never actually involve the ROSCOs in any of these debates, do you, Mr Linnard?  
Mr Linnard: We have kept the rolling stock leasing companies in touch with the development of the plan.

Q839 Chairman: I know they are bankers, and one does have one’s reservations about bankers, but nevertheless they are the people who are going to pay for the rolling stock ultimately, after you have paid your bills. Why are they not part of the calculation, part of the debate, part even of the negotiations?  
Mr Linnard: All I can say is that when we launched the rolling stock plan at the end of January we had an industry briefing session and the ROSCOs were at that briefing session. There have been bilateral discussions—

Q840 Chairman: That is not quite the point I am making, Mr Linnard. I am sure you are very good at keeping the whole of the industry informed from time to time, but what I am really saying is that these calculations, because of the way the privatisation structured the industry, means that the rolling stock when it is being negotiated is just not a matter for the Train Operating Companies or the Government, it is a matter for the Train Operating Companies, the ROSCOs who are responsible in many instances, in all instances, for the leases and yourselves, and yet they are not party to any of these debates.

Mr Harris: I would suggest, Chairman, that you are right in that of course ROSCOs have got a role to play, but actually I would probably put the emphasis not up to my officials to decide what type of rolling stock a particular TOC needs, but it is up to the TOCs.

Q841 Chairman: But they do actually decide the numbers, do they not, Minister? Civil servants decide the numbers that are involved in the rolling stock figures, so why should they not actually decide not just the numbers but the type? What is the difference?  
Mr Harris: The difference is that it is the Department for Transport that is finding the money to buy these 1300 new carriages, so of course when Douglas Alexander first announced the 1,000 new carriages back in February 2007 it was 1,000. The figures have gone up since then because we have been
able to get the resources. So of course it is up to my officials and the DIT to decide how many trains we are going to procure, but it is primarily up to the Train Operating Companies, the people who actually run passenger services, to decide what the most appropriate type of rolling stock is. It is not up to my officials to do that.

Q842 Mr Martlew: On rolling stock—and I have just heard what you say—can you give us an explanation of what went wrong with the Pendolino extra carriages?

Mr Harris: I think I know what you are referring to. On reflection, I think it would have been better if the debate between Virgin and the DIT had not been conducted in public. I think that was unfortunate and I think some valid criticism could be levelled at the Department for Transport as far as the public perception is concerned. I wrote to all MPs with a West Coast Main Line interest to clarify exactly what the position was, because it emerged from the media that the story was that the DIT had said no to Pendolino lengthening, which is not the case. We did say no to Virgin, to their proposal for what they called the two year extension to the franchise, what I perceived as being a new two year franchise without any competition, and they could not convince the Department, they could not convince me that that process would provide value for money or better value for money than an open contest. I was not prepared for the Department to be blackmailed with the prospect of Pendolino lengthening there as the prize. So we now have the situation where we are still committed to Pendolino lengthening, and in fact the process started today with an advertisement in the official journal of the European Union for the start of that procurement process and we will have those 106 new carriages in place by the start of the next franchise.

Q843 Mr Martlew: Which will be when?

Mr Harris: 2012.

Q844 Mr Martlew: But many of us were led to believe that they would be in service quite a bit sooner than that.

Mr Harris: Virgin’s negotiating position was, “We want an extra two years on the franchise and on that basis we’ll cooperate with the Pendolino lengthening.” The first part of that was not acceptable to us. I accept that if the conditions of that proposal had been different and had been acceptable to us, we would have been able to move more quickly.

Q845 Mr Martlew: Can I stay on the West Coast but come on to another issue? After the problems we had at Rugby, do you sincerely believe that the timetable set for 2008 will be able to be implemented? Do you not believe that there are going to be delays on the upgrade of the West Coast Main Line that will throw that into chaos?

Mr Harris: I think if I were to try and tell you or the rest of the Committee that in light of events at the New Year I have no doubts about the meeting of that timetable you would not believe me, so I am not going to say that.

Q846 Chairman: We believe every word you say, Minister!

Mr Harris: What I would say is that the ORR is conducting its own review of that timetable and it will be taking evidence up until the end of this month. If you do not mind, I am going to reserve my judgment to see what the ORR says because it is privy to a lot more of the detail that is necessary to make that judgment.

Q847 Mr Martlew: So what you are saying is that the jury is out until the ORR comes up with—

Mr Harris: Yes. I would not want to speculate on that publicly without the kind of detail that the ORR is privy to.

Q848 Mr Martlew: Let us hypothetically presume that it does not come in in December 2008. What are the consequences of that?

Mr Harris: There are quite severe penalties that the DIT would have to meet. In terms of track access charges, I believe the current regime for track access only runs until December this year, so any delay in the upgrade, the finalisation of the upgrade, will have a financial cost to the Department and that is something that—

Q849 Mr Martlew: So you will be paying the Train Operators money?

Mr Harris: Essentially.

Mr Linnard: There will also be a cost to Network Rail because it is not just Virgin who operates on West Coast.

Mr Harris: More significantly, I think it would be fairly damaging to Network Rail’s reputation, which frankly could do without any more damage to its reputation at the moment. I understand that not all of the Train Operators are entirely happy with the idea of heading to that December 2008 deadline and having more, longer, possessions between now and then in order to achieve that. I think some of the Train Operating Companies undoubtedly would rather see that deadline extended into 2009. I am not going to cast judgment on whether that is the right judgment.

Q850 Mr Martlew: Especially if they will be compensated for it!

Mr Harris: That is something I am sure the Committee will take into account.

Mr Martlew: I will leave it at that.

Q851 Chairman: Minister, could I just ask you, in the light of serious and repeated breaches of network licences would you write to the Remuneration Committee of Network Rail and request that no bonus payments are made to senior managers this year?

Mr Harris: No.
Q852 Chairman: Why not?
Mr Harris: I do not think it is up to ministers to take that decision. It is up to Network Rail.

Q853 Chairman: The slight problem we have got is that the Office of Rail Regulation said to us very firmly it was not them, and you are telling us it is not you. There does seem to be a slight element of, “Not me, Guv,” floating around here and perhaps the taxpayer will find it a little difficult to understand. If there are breaches of the licence, the network licence, what would normally be the Department’s response?
Mr Linnard: If there is a breach of the licence, the Remuneration Committee has to take that into account in setting the directors’ bonuses for the year in question and the Chief Executive of Network Rail has said publicly, very soon after the New Year overruns, that he would expect that to be reflected in bonuses in the organisation.

Q854 Chairman: He has that in common with quite a lot of us! We would all expect it to be reflected in the bonuses. All I am trying to find out is whether it will be.
Mr Harris: That has happened in the past, Chairman. Licence breaches in the past have been reflected in reduced bonuses.

Q855 Chairman: So we can assume that somebody will be taking a general interest in this. If Network Rail does not satisfy the Office of Rail Regulation by the end of March that it has got robust plans to complete the West Coast route modernisation in time for the timetable, what will happen? What will the Minister and the ministry do?
Mr Harris: I will not interfere in the running of Network Rail and I certainly will not interfere with any decision to be made about bonuses to directors.

Q856 Chairman: I see. So you are quite prepared to accept that the Office of Rail Regulation has sufficient power and sufficient muscle, is that what you are saying?
Mr Harris: Yes. As I have said before, Chairman, I am content that the existing structures in the rail industry are fit for purpose and I have not inclination to change them.

Q857 Mr Hollobone: The White Paper and the HLOS have been criticised by some because they do not seem to be joined up as much as they should be with other policies in other government departments. What steps have you taken to ensure maximum coordination?
Mr Harris: Would you mind saying exactly which policy areas?

Q858 Mr Hollobone: For example, spatial planning. The Government has got some very ambitious housing expansion targets and yet specific stations seem to be seeing a reduction in service under franchise arrangements, whereas the Department for Communities and Local Government is insisting that tens of thousands of new houses be built in those areas.

Q859 Mr Hollobone: Let me give you an example. Route utilisation strategies tend to be set first for a five year period, as I understand it, so it is not an annual timetable, it is over a longer period. In an area I know well, in Kettering for example, the number of trains that serve Kettering station are to be cut back by about a third this December. At the same time the Department for Communities and Local Government is insisting that the number of houses in the borough of Kettering goes up by one third by 2021. The local authorities are tearing their hair out in trying to attract developers to the area to meet the Government’s targets, yet the Department for Transport is effectively sanctioning a drastic reduction in the train service to the town. How can those two be squared?

Mr Harris: Without the facts and figures in front of me, Mr Hollobone, I would find it difficult to reply to that in detail. I do not know if you and I have actually corresponded on this already. If we have, I am afraid I cannot remember the details of the response I sent you.

Q860 Chairman: I am sure Kettering is the second centre of the universe after Crewe, but the point Mr Hollobone is making is one of principle. Does the Government automatically, where it is asking for an expansion of population, an expansion of housing, an expansion of jobs, take account of the fact that it may be that the Department for Transport is actually apparently going in the opposite direction? So it is really a matter of principle. Is it not whether or not Mr Hollobone’s own personal station gets the trains, it is whether this is happening—we do have these marvellous phrases—in a joined-up government? Do you sort of weigh the Department...
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of Environment from time to time to find out what they are doing, which is probably all one should ever do?

mr harris: of course rail planning, especially long-term planning, must take account of growth areas in the country. i am not quite sure how valid an accusation would be that we are conspiring to reduce services in areas of growth.

Q861 chairman: no, i would never accuse you of conspiring, minister. I do not think you talk to one another often enough to conspire! sending the odd text message might be a sort of gesture! Mr linnard, do you have a joint committee with that brilliant Department of local government, or whatever it is called at the moment, and the Environment and plan the expansion of rail services in relation to the regional spatial policies?

Mr linnard: i was not at the meeting myself, chairman.

Q862 chairman: but do you have one, Mr linnard?

Mr linnard: there was a meeting within the last couple of weeks at actually permanent secretary level between transport and clg to talk about future housing growth plans and the implications for the rail. as the minister said, we are really talking about the planning that will go into the next hlos, the one from 2014 onwards.

Q863 chairman: yes. then i think that rather begs the question, what is going to happen between now and 2014? or are we not actually planning for anything in between?

Mr harris: chairman, what will happen between 2009 and 2014 is that the amount of people being carried on the railways is going to increase significantly in all parts of the country. i have dealt with a number of colleagues, for example, on the west coast main line upgrade on local difficulties over the timetable. there is an example of a major project which is going to deliver a significant 30% increase in capacity, a 50% increase in services between London northwards to Birmingham and Manchester, but inevitably and understandably colleagues whose local constituency stations are perhaps not receiving the full benefit they expected are coming to lobby me about that. i have to recognise that there are valid concerns there, but the bigger picture is that capacity is increasing and services are improving and the number of services is increasing. that does not actually mean that every single station on every single line can receive extra services.

chairman: no, i do not think we are asking you that. perhaps you would like to give us, Mr linnard, a short note which would just delineate those areas which the Department for transport is talking to, whether it is in the far, far future or whether it is more within the next step.

Q864 graham stringer: one of the measures of success of the rail system which ministers regularly quote is the increase in passenger numbers. i did not realise until we had witnesses here a fortnight ago that the passenger numbers did not represent single people. if you go on one journey and you use two franchises, apparently in the Government’s statistics that counts as two journeys. is that right?

Mr harris: no. my understanding is that when we talk of passenger journeys we talk about one ticket for a journey. so if someone is travelling from Exeter to Glasgow and they have to change trains a couple of times, that is one journey.

Q865 Graham Stringer: And franchises?

Mr Harris: And if they have to change franchises, yes, that would be one journey. That is my understanding, because they buy one ticket. It is a new one on me, chairman, so—

Q866 Graham Stringer: We did hear that very directly in evidence, that one journey with split tickets counted twice in your statistics. we also heard that journeys going to London, if there were two possible destinations you could be going to, are counted twice in the statistics. so you are saying that is absolutely not true?

Mr Harris: my understanding is that that is not true. you have raised a 1% doubt in my mind, and i am happy to write to the Committee to clarify that, chairman, but i would also say that even if you were to take passenger kilometres, which would take account of that anomaly, you are still seeing a very, very significant rise.

Q867 Graham Stringer: I do not think anybody who travels on the trains doubts that there has been an increase, it is just getting it quantified.

Mr Harris: It is worth clarifying that. But that is my understanding and i will clarify that in writing.

Q868 Graham Stringer: Exactly. On a different subject, could you tell us why Birmingham and Reading were chosen for refurbishment and capacity enhancement and not other stations? i am obviously thinking about Manchester, but it would apply to other stations as well.

Mr Harris: sure. Birmingham received, from memory—the record will show exactly what it was, but from the hlos budget about £125 million of the total that was needed for the Gateway project. the rest of it did not come from the rail budget directly. Reading is actually one of the worst bottlenecks in the country. i understand it was first identified by Isambard Kingdom Brunel and not much has been done about it ever since, so in that respect i am quite glad the Government has got round to doing something about it. That will actually free up a huge amount of capacity west of Reading on the Great Western Main Line. Why those two stations instead of Manchester or anywhere else? The question could probably be turned around the other way if we had chosen Manchester and Newcastle, why Manchester and Newcastle and not Birmingham and Reading?

Q869 Graham Stringer: We all fight for our own areas. I just wondered if there was a series of hard criteria, because certainly John Prescott identified in—I cannot remember whether it was a ten year
plan or another white paper—twenty-odd pinch points in the rail system and platforms 13 and 14 in Piccadilly was one of them, as were other parts of the country. I just wonder why it is Reading, as opposed to those pinch points all identified by this Government within the last ten years. I would be interested to know what the criteria were.

Mr Harris: Certainly in terms of train paths and the amount of congestion caused at Reading—and as I say, it is a historical problem and it should have been sorted out long before now—I do not want to give the impression that because we have identified Birmingham and Reading in HLOS therefore no other conurbation is going to receive any attention because that is simply not the case. On the Manchester Hub, Network Rail is leading a review of what is actually needed there and that is something the Government is going to take very seriously. I see the rail network as a national jewel in the crown, if you like, a national asset.

Chairman: I do not think we argue with that, Minister. We just want to know what are the criteria. In fact I do not think we are objection to either of those particular stations, but we could give you a list of 18 more that are about the same.

Q870 Graham Stringer: The Government’s own list of pinch points I supported. It would be good if all those pinch points were not pinch points and capacity was increased. Can you tell us how you choose between them? Can you, Mr Linnard?

Mr Linnard: Broadly, it would have been done on a benefit/cost appraisal and the critical factor would have been the extent of the constraint that the existing layout of the stations was causing to rail capacity, so where we would get the biggest return for the money, which ultimately was limited money.

Q871 Graham Stringer: Money is always limited. So there is a cost-benefit analysis at the back of this. Can the Committee see it?

Mr Linnard: We can certainly give you a description of how the calculations were done, yes.

Q872 Graham Stringer: But could we see the actual cost-benefit analysis?

Mr Linnard: I do not see why not.

Mr Harris: I certainly do not see any reason why not.

Graham Stringer: Thank you.

Q873 Mrs Ellman: The National Passenger Survey undertaken at the end of last year shows that only 45% of rail passengers think they are getting good value for money with the fares. Is that something that concerns you?

Mr Harris: Yes, it is, although the same passenger survey did conclude that 81% of passengers were satisfied with the service they got. But yes, it does concern me, that figure of value for money. Short of saying that we are going to take money out of the HLOS budget that is currently identified for capacity and instead use it to subsidise more rail fare, which I am not prepared to do and it would not be the right thing to do, I have got the responsibility of trying to explain to you and to the public why fares have increased and what that money is actually going to create, because that money is ultimately used for increasing capacity and the service that people get.

Q874 Mrs Ellman: But what about the costs? What about keeping the costs down?

Mr Harris: Regulated fares, after taking inflation into account, are no more expensive today than they were at privatisation and I think that is something we should actually be reminding people about. Unregulated fares, of course, are a different matter and I do not have any control, nor do I want any control, over unregulated fares. But most people, 80% of passengers, travel on regulated or discounted tickets and I think sometimes when the media report a very eye-catching top price for a particular journey we lose sight of the fact that that is not the price that people actually pay. Virgin have told me that 80% of people who travel between London and Manchester on a one-way pay less than £35. That is actually a very good deal.

Q875 Mrs Ellman: But that all depends on people’s needs, does it not, and ability to plan ahead and to get the right information at the right time?

Mr Harris: Nevertheless, it is 80%.

Q876 Mrs Ellman: You mentioned that before, but train operators claim that premium payments into the Treasury will increase tenfold to £1.28 billion by 2014. What impact will that have on unregulated fares?

Mr Harris: The effect that has on unregulated fares is a matter for the Train Operating Companies. I understand the argument that if they have to pay a higher premium, then they have to put up unregulated fares. It comes as no surprise to me that Train Operating Companies do not like to pay a premium and that they would rather not pay it. If I were in a Train Operating Company, I would rather not pay it to the Government either, but that is money that comes directly to the Department for Transport. It is money which is directly reinvested in the rail network. I make no apology for saying that if a company is making a profit out of a franchise they have won from the DfT that is a very profitable franchise. I think it is a good thing, and I make no apology for the fact that they give us money. They pay some of that profit back into the DfT, which we then put back into the industry.

Q877 Mrs Ellman: But when you make predictions about the rates of growth of passengers, what assumptions do you make about the impact on passenger growth of increases in fares?

Mr Harris: There is no evidence that increases in fares is going to have any kind of negative effect on passenger growth. I think the reason for that is, as I said earlier on, that the vast majority of people actually travel on regulated or discounted anyway. If you are travelling at off-peak times and if you are not using a Saver return, if you are using a full price walk-up-and-go ticket, then you are not travelling on the whole for business purposes and there is an
element of market competition there. The Train Operating Company has the right to set that fare at the level it wants to set. If it sets them too high, people just will not use it, because we are not talking about the group of people who have to get to work. We are talking about people who are travelling off-peak largely (not exclusively, I accept that). If Train Operating Companies price their own people off the railways, they suffer in revenue terms.

Q878 Mrs Ellman: Are you satisfied with the Government’s progress on implementing the Disability Discrimination Act, making it easier for elderly and infirm people to get off and on trains?

Mr Harris: I think that is a very good work and I know that there was some resistance in the industry initially to our desire to actually set a specific deadline for when all rail carriages had to be accessible. We decided there should be a deadline, first of all. Some parts of the industry did not want us to do that because of costs, but we decided it was the right thing to do after discussing it with various disabled groups, including the Disabled Persons Transport Advisory Committee. We set the date of 1 January 2020. Of course, we have already got the commitment that all new rolling stock that comes into force at the moment, ever since 1 January 1999, has to be compliant anyway. We have also got the £370 million Access For All fund, which is providing step-free access to so far more than 100 stations. I cannot remember exactly how many because there was a tranche announced recently which has increased that number. I am sorry if I come across as complacent. I am not at all complacent because this is such an important issue.

Q879 Mrs Ellman: Are there accessibility conditions in franchises when they are let out?

Mr Harris: Yes. There is a commitment. It is a legal requirement now. Even if you did not put it in the franchise, there is still a legal requirement.

Q880 Mrs Ellman: You say it is, yet the Government’s Rolling Stock Plan talks about adopting “a pragmatic approach” to the whole implementation of rail vehicle accessibility standards. That is not very encouraging, is it?

Mr Harris: All new rolling stock that is introduced into the railways from 1 January 1999 must be compliant with the Disabled Access Act.

Q881 Chairman: So why do you have to be pragmatic about something you have got to do legally?

Mr Harris: I will possibly have to write to you on that, Chairman, unless Mr Linnard can help.

Q882 Chairman: Tell me, Mr Linnard, are you responsible for pragmatism creeping in there?

Mr Linnard: I fear possibly so, Chairman. What the Rolling Stock Plan actually says is that in applying the regulations the Government will adopt a pragmatic approach and will consider instances of minor non-compliance on a case by case basis.

Q883 Chairman: Oh, I see. So we are being pragmatic about minor problems, but not major ones?

Mr Linnard: Yes, minor ones.

Mr Harris: Can I possibly at this juncture give you an example of where we are being pragmatic, for example, on the DLR? Last week I took a statutory instrument through the House which asked for six specific derogations from the regulations in order for new rolling stock to operate on the DLR. That was a derogation that was supported fully by all the disabled access groups.

Q884 Chairman: Yes, but I think you will not mind me interrupting you, Minister, to say that the DLR is not really representative of a great many railways, in fact some railwaymen have been known to be quite rude about it! So possibly it is not a very good example to use when we are talking about the rolling stock that affects the railway industry generally.

Mr Harris: I raise it as an example, Chairman, simply to point out that occasionally we are able to seek, with the full support of DPTAC and disabled groups, temporary derogations from the legislation if it makes life easier for disabled people.

Chairman: Good. Even those of us who are not very old find it desirable.

Q885 Mrs Ellman: The Assisted Travel Management System has been described as a failure by Guide Dogs. Does that not concern you, and in fact do you agree with them?

Mr Harris: I accept that there are still problems there. We really are working very closely with disabled persons’ groups to try to make that journey as easy for disabled people, whatever the disability, as it is for able-bodied people. I know there is some concern, for example, at the lack of consistency on where the door controls are placed on particular trains. We are making progress on that. We are making progress on it and we are working very closely. I think it is important that any moves we make are done in the context of advice from the disabled groups and not, once again, dictated to by Whitehall or by the DfT. If there are any specific issues you are referring to, I would be more than happy to respond to them.

Q886 Mrs Ellman: One of those would be having a single phone number for bookings and information across all the Train Operating Companies. Is that something which could be looked at?

Mr Harris: If that is something that would be workable, that ATOC, the Association of Train Operating Companies, think could be made to work, then yes, absolutely. As long as these are solutions that are coming from the disabled people themselves and not kind of answers dictated from on high.

Q887 Mrs Ellman: Should it not be the other way round? Should it not be the Government telling ATOC this should be made to work?

Mr Harris: As I say, provided these suggestions and innovations come from the people who are actually going to be using those services. I have found in our
negotiations and relationship with ATOC that it is more than happy to adopt that kind of approach. At the moment, I would not see the need for us to pass primary legislation or to dictate to it about any of that kind of innovation, but the travelling experience is as important for disabled people as it is for anyone else and we will do everything we possibly can.

Q888 Mr Hollobone: What is your view about Train Operating Companies having a greater role in specifying and sometimes actually implementing enhancements to the infrastructure of the lines they operate?

Mr Harris: It is not an issue which has raised its head on a great number of occasions. Presumably you are alluding to vertical integration in some form?

Q889 Mr Hollobone: Blurring the edges. Let me give you an example, perhaps, to help you. On the line which serves my constituents, popularly known as the Midland Main Line, I think there is something like £80 million worth of investment, which if it were undertaken would actually significantly speed up journey times and would restate to Kettering the fast service which it is about to lose. East Midlands Trains are tearing their hair out because they are very worried this £80 million is not going to be delivered by Network Rail. Is there some change to the mechanism about the way the railway is run that would actually enable Train Operating Companies to get on with specific investment which they can see would make a very big difference?

Mr Harris: If the Train Operating Company is suggesting that they would pay for that £80 million enhancement, then I am sure that is something we would at least look at, but I rather suspect that what they actually want to do is to do the work themselves but be paid to do it by the Department for Transport or Network Rail, in which case if we are going to pay the money out I would rather just pay it to Network Rail to get it done.

Q890 Mr Hollobone: It is your view then that these infrastructure decisions, even if they are relatively minor, need to stay with Network Rail?

Mr Harris: Yes.

Q891 Graham Stringer: Every region, both on rail and other forms of transport, has had a significant increase in spending under this Government. What I have failed to get any minister to explain to me is why the gap between London and the rest of the country has increased. Can you do so, because usually what ministers say is that the North West has increased, Humberside has increased. We know that, but overall London and the South East has gone from being 80% higher to about 150% higher and if you listen to what people at Transport for London are saying at the moment (they are talking about figures of £40 billion in the immediate future being spent) the gap is going to be bigger. Can you explain what the rationale is for increasing the gap?

Mr Harris: I do not think it is very helpful necessarily to talk about the headline sums invested in one region or another. I will give you a very obvious example. If you were to build Crossrail exactly as it is about to be built in London in Manchester it would not cost £16 billion, it would cost a fraction of that. That fact is that if you buy land and you build capital projects in London it will cost a lot. That is the first thing. The second thing is that two-thirds of all rail journeys begin and end in London, so the idea that London would not receive more money in terms of support for train services is, of course, a non-starter. Surely what is important is outputs. Surely, instead of talking about how much money each region is getting, why do they not look instead at what is the journey experience for someone in Manchester compared with the journey experience of someone in London? If those are about the same, then surely that is a success. But in order to achieve the same improvement in service for someone in Manchester and someone in London you will have to spend more money in London than you do in Manchester, but provided the outputs are about the same then I do not see that being an issue.

Q892 Graham Stringer: That must have been true 10 years ago, 15 years ago. 6 years ago. I accept that London is a thriving economy and it costs you more to do the equivalent thing in London, but that has been true over the last 15 years. It is true that London is the financial capital of the world and things are special here, so all those cases of London being special are true. It is about rates of change, not about absolute cost. London used to get 80% more spent on it. It now gets about 150% more.

Mr Harris: Can I ask, are those transport figures you are talking about?

Q893 Graham Stringer: They are general transport figures. They would probably look worse from my point of view if you extract rail and put in the London Underground.

Mr Harris: As I said, the railway is a national asset. I do not accept this idea that—actually, let me go back to something Tony Blair once said, that poverty should be measured by what people are able to do with their income rather than the difference between the lowest and highest income earners. I think there is some readacross to the situation as far as transport investment is concerned. For example, Northern Rail receives more subsidy than any other franchise in the whole country, £1 million a day at the moment, whereas, for example, First Great Western, which we have already talked about, and South Western, they both pay a premium to the Department for Transport. So I think that is a very good example of the fact that we are investing in services where they are needed, regardless of where they are needed, and I think that is exactly what the DfT should be doing. I think a concentration on the spending gap is meaningless unless you can also point to a gap in output, in actual results, in the actual experience of the passengers.

Q894 Mrs Ellman: Minister, could I just ask you then, when Merseyside re-submit a scheme for light rail will it be looked at favourably because there is a gap there?
Mr Harris: Nicely done, Mrs Ellman!

Q895 Graham Stringer: And output of tram passengers.

Mr Harris: On Merseytram—and I must admit, I did not see that one coming—I am a supporter of light rail. Not at any cost. If a tram system is proposed and it has got a good benefit/cost ratio and it is affordable, then we will go with it. This Committee will be aware that yesterday the Secretary of State announced tram train trials in the northern franchise area and that could open up all sorts of possibilities for some of these areas which have had schemes knocked back in the past.

Mr Linnard: The problem with some of the light rail schemes, as the Committee will know, is firstly the cost increases. Secondly, the value for money of some of them is not that strong. Thirdly, there are often cases where high quality bus networks will do almost as good a job at a much lower cost.

Q896 Mrs Ellman: Would you say then that Metronet is value for money, Metronet Underground?

Mr Harris: It is not exactly my policy area, but I do not think it was the actual structure of the PP that was the problem. I think it was actually the company.

Q897 Mrs Ellman: I am just looking for an equivalent. You answered Mr Stringer in terms of, “Well, it’s not the amount of money, it’s where there are gaps.” So I just indicated one gap and that is to do with the absence of light rail in Merseyside, a scheme which was turned down and the scheme which has now been put together for re-submission. In response to that, Mr Linnard started talking about value for money. If you are looking for value for money and we are talking about North and South, I do have to raise the question of whether the £2 billion extra bill to the public purse which has come from the collapse of Metronet up to now is value for money. I just want to look at equivalents, that is all.

Mr Harris: You may have made a different judgment about the benefit/cost ratio of Metronet in advance if you knew what was actually going to happen further along the line, which we did not. But if we are talking about light rail projects in the north of England, when Merseytram was rejected it received a huge amount of publicity nationwide, not just in Liverpool. I noticed that when I announced the go-ahead for the Blackpool tram a few weeks ago it got no national coverage at all.

Chairman: It may come as a surprise to you, Minister, but this Committee does not control the press! It might do a better job if we did, but we do not.

Q898 Mr Clelland: If the Government of Scotland, the cities of Liverpool and Manchester and the conurbations of Tyneside and Teesside can be thinking about the development of Maglev, why is the Department for Transport so dismissive of the system?

Mr Harris: For the record, the Government of Scotland is based here at Westminster. The Scottish Executive I think you are talking about. Mr Clelland and I have had discussions in the past about the various merits of Maglev and I bow to the superior wisdom of Rod Eddington, who did dismiss this in his report. I think Maglev is one of those projects which catches people’s imaginations, but we had a discussion earlier on about whether or not high speed conventional rail, as it were, might be appropriate to Britain and that alone provides all sorts of challenges. Maglev is not just an expensive scheme, it is a scheme in which you actually have to have new train stations as well. You cannot actually run a Maglev into a normal train station. So as well as having a new network on stilts for these magnetic trains, you also have to have a brand new network of train stations. That is just the start of the argument against Maglev and I am sorry but I just cannot in all honesty say that I could see any government committing to that.

Q899 Mr Clelland: What is the most innovative and exciting idea in the Department at the moment for the future of the rail network?

Mr Harris: That is a very good question! Tram trains, I would say, at the moment.

Q900 Chairman: I want to bring you to an idea which may not be altogether unique and perhaps has been knocking around for some time, but what about electrification? Is it inherently expensive?

Mr Harris: It does not need to be and if there is a good benefit/cost ratio then it is clearly worth the Department investing in it. I assume, Chairman, you asked the question in the context of the criticism which has been levelled at HLOS for the lack of electrification projects.

Chairman: Yes, and also the fact that, after all, your conclusions on cost-benefit ratios were based on oil costing 50 to $60 a barrel.

Q901 Graham Stringer: And going down!

Mr Harris: It comes back to the political (with a small ‘p’) judgment that we made in putting HLOS together, which was that the overriding priority for the industry was capacity and it was not electrification and it was not high speed lines, and I think that was the right judgment. That is not to say that electrification is not an option. It clearly is if there is a case made for a particular stretch of line.

Q902 Chairman: Let me help you, because in fact this Committee has done a lot of work on electrification. If you had a staged and rolling programme of electrification, would that not bring down the cost and help maintain a stable pool of overhead line engineers?

Mr Harris: I am sure that would be one of the consequences, Chairman.

Q903 Chairman: That is what actually happened before, and yet you do not apparently appear to have any medium or long-term estimates of what they call infill electrification, that is putting in the
little bits that would make it a lot easier for the system to work, even though these electrified services carry far fewer risks than self-propelled services because they can go on power from many different types of power generation.

**Mr Harris:** There is no stated programme of infill electrification in HLOS. Once again, the debate has moved on since the publication in July and I am personally absolutely relaxed about Network Rail identifying schemes where electrification should take place and where the resources are there to do it.

**Q904 Chairman:** I understand the Association of Train Operating Companies has already identified a number of schemes. We were told, for example, about Blackpool—Preston and Manchester—Preston. There is already, is there not, Mr Linnard, from the Association of Train Operating Companies a list of suitable infills?

**Mr Linnard:** Yes, but it is for Network Rail, which owns and operates the infrastructure to do the work and they are doing work on not just where electrification might go but on the scope for lowering the cost of doing electrification. This will no doubt be highly relevant when we come to looking at future HLOS.

**Q905 Chairman:** Since these changes could probably increase capacity, why is it that the Department seems to take a different view on electrification in Scotland than the one it takes in England?

**Mr Harris:** That will be a matter for the Scottish Executive, Chairman.

**Q906 Chairman:** Oh, I see. So we should all move north of the border?

**Mr Harris:** Well, I would recommend that anyway!

**Q907 Chairman:** What about biodiesel? Does that improve the sustainability of the rail industry?

**Mr Harris:** The introduction, the greater use of biodiesel, in the long-term, yes.

**Q908 Chairman:** So we must assume that irrespective of what happens on the world’s stage to the price of fuel, we can expect no flexibility, change of plan or even amendment from the Department, is that what you are saying?

**Mr Harris:** Chairman, I think one of the underpinning tenets of the White Paper, of HLOS, and one which has been widely welcomed, strongly and warmly welcomed by the industry, is a sense of security, a sense of stability over that five year period. I think it would actually undermine the whole purpose of HLOS if we were to say that we would review HLOS month by month, depending on the price of oil.

**Chairman:** I do not think we are asking you that, Minister. We are saying that you prepared your plans on one basis, which have been blown out of the window.

**Q910 Mr Hollobone:** Is it the case that actually the Department is biased against electrification and does it not come back to the earlier point about the lack of coordination with other government departments? On the one hand, you have got the Department for Energy pushing for an expansion of nuclear power and you have got the Department for the Environment, Food and Rural Affairs pushing for positive action to combat climate change, and yet the Department for Transport is insisting that electrification pays for itself over a 15 year period, whereas the standard rate for amortization for rail investment is 30 years?

**Mr Harris:** I absolutely do not accept that we are biased against electrification. As I have already explained, we are optimistic that infill electrification will take place at various points through the network. It is nothing to do with bias against electrification. We are spending record amounts of money historically to invest in the railway network. We have got £15 billion over the next control period and £10 billion of that will be devoted to capacity. I accept that if that amount of money had been £30 billion and £25 billion of that was money for capacity, I would quite happily say, “Let’s take 10 of that and use that for electrification.” I do not have any particular ideological problems with electrification, but when we are dealing with this record level of increase in patronage, when people travelling into London and all of the major conurbations outside London are facing major, major problems in terms of capacity on their commuter trains, I just think it is the right thing to do to say that electrification and, yes, high speed rail will have to come second and third to the overriding
Q911 Chairman: Minister, I want to let you escape in good order, but I really now do have to ask you some questions. Why have you had to increase the amount of public funding for the remodelling of Birmingham New Street from £128 million to £388 million?

Mr Harris: We have not, Chairman. The £125 million that we announced as part of HLOS was the railway segment of the Gateway project. The other amounts of money—and it was always the intention that Gateway would be provided by railway money from the DfT, by local transport plan money, also from the DfT but not specifically for rail, and from the Department for Business, Enterprise and Regulatory Reform in the form of a grant to Advantage West Midlands. So the real element of Gateway is still £128 million and that is what we have given to it.

Q912 Chairman: So the same amounts. There is still £388 million, but you are saying it is made up in a different way?

Mr Harris: Yes, that is right, from three different sources.

Q913 Chairman: So it comes out of a different pocket, but it is nevertheless still an accurate figure?

Mr Harris: The £388 million is, yes.

Q914 Chairman: Do you have a current policy on strategic rights of way and disused rail lines for heavy rail?

Mr Harris: In terms of protection and safety?

Q915 Chairman: Yes.

Mr Harris: We have certainly said in HLOS that during the next HLOS period, the control period, we do not intend to have a programme of re-opening lines.

Q916 Chairman: That is not quite the same thing, is it? I am talking about now. We know of several disused railway lines which appear to be at risk, which could actually transform the situation in relation to capacity in various regions. Do you have a policy?

Mr Harris: We have a policy, which is that we will not order the national safeguarding of every disused railway line. We will not do that.

Q917 Chairman: No, I am not asking you that. I have to tell you that my dear late husband used to say that he had a policy of masterly inaction where, with any luck, his patients would either get better or die! Are you telling me that is the attitude of the Department towards the rail system?

Mr Harris: No. What I am telling you is that even if we were in a position to re-open all of these disused rail lines, they would not provide a single extra seat of capacity anywhere in the network.

Q918 Chairman: So you do not intend, where there is an argument, to look at the preservation of a disused line, to use that as part of—

Mr Harris: I have said that there is an argument, but I do not think it is the best use of public money necessarily to safeguard, and therefore if we are talking about safeguarding every disused railway line—and I accept what you said earlier on, that that is not what you are asking us to do—if we were to adopt the policy where that was more extensive and basically you are then stopping the development of other projects on those alignments, I do not think that is necessarily the right thing to do across joined-up government.

Q919 Mr Martlew: I am grateful for the answer you give, because I have a situation where we are just about to start to build a brand new university and there is an old freight line which has not been used for 30 years, and the idea was that you would not be allowed to build on that just because it used to be a railway line, there would be no sense in that. So what you are saying is that there is a flexibility in the Department?

Mr Harris: Yes. What we have said is that the local authorities have to make a judgment locally about whether or not a particular alignment should be preserved, and many local authorities do that, but I do not think, as a matter of policy, it is necessarily a productive policy. As I was trying to say earlier on, Chairman—and I think this is an important point—if you were to re-open a large proportion of those lines, for example, closed under Beeching, unless you have got a massively significant increased number of carriages to run on those lines then they do not create any extra capacity.

Q920 Chairman: All we want to know is whether you have an acceptable programme which says you will look at them. You and I both know, everybody in the House of Commons knows that there is at least one area where a major utility company wants to take over an area which was a closed rail tunnel, which would have a direct effect. I am not asking you to open something that will join up with the Ffestiniog Railway, or the line from Crewe Station to the centre of Crewe. It might be a great benefit, but there is nobody in the works to get on it.

Mr Harris: Where there is a case for preserving a particular line, obviously the DfT will look at that, but I think you are talking about Woodhead Tunnel. Nobody has yet told me what the actual solution of that should be, other than kicking National Grid out of an area where they have every right to lay cables. Now, if at some point in the future—and remember this decision does not have to be taken until 2010 and the Minister of State, Rosie Winterton, is going to have a meeting with National Grid to find out if there would be an option for continuing the maintenance regime in the older disused Victorian tunnels to keep them in their current condition, but if at some point there was a need to run freight trains, for example, through the newer 1950s tunnel at
Woodhead, then that is something that could be done, but it would be done at considerable expense and I am not sure it is worth it.

**Q921 Chairman:** I am sure we are all satisfied to know it is in the hands of Ms Winterton. How did you arrive at the reliability targets for public performance measures during control period four?

**Mr Harris:** It is a calculation based on expected or anticipated performance on long distance intercity services and local commuter services. There is clearly an element of arbitrariness in this calculation, but what we wanted to do was to set a target that was achievable but not so achievable that the Train Operating Companies could just do it in their sleep.

**Q922 Chairman:** So do you expect to have further reliability improvements after 2014 if the targets have been met?

**Mr Harris:** Absolutely, yes.

**Q923 Chairman:** Good. Do you want to tell me what your reaction is to Network Rail’s argument that targets for reliability are too ambitious, too costly, given the current funding proposals?

**Mr Harris:** I am quite glad they said that. If they were entirely happy with our targets, I would not be particularly happy. I want them to do as much work as they can. I want the Train Operating Companies to look at these targets and see them as challenging. I do not want them to look at them and say, “Yes, that’s easy.”

**Q924 Chairman:** I see. Do you agree passengers do not place great value on performance improvements once they have begun to hit the 90% mark?

**Mr Harris:** That is one way of looking at it. As a passenger myself, I would rather see the PPM go up beyond that.

**Q925 Chairman:** I think, frankly, we are going to let you escape quite soon, Minister, but there are very considerable worries still. We are not at all happy that the Department is clearly planning its rolling stock programme in a way which will meet the amount of money that you intend to commit to it. Mr Linnard? You know already that there is this imbalance between the amount of rolling stock that is going to the South East, the amount that is going elsewhere. You know that the rolling stock industry have told you very plainly that they are going through these peaks and troughs and they will get back to exactly the same situation, and each time that happens they lose skilled workforces and it is more and more difficult for the British to compete for their own railway reliability. We need to know, I think, as a Committee, whether you have a clear investment strategy, whether you are quite certain that your major decisions on rolling stock and on electrification have been thought through in relation to very specific procurement policies, and what debates you are having with the industry. There is still, old-fashioned and absurd as this may seem, an interest in maintaining jobs within the railway industry in the United Kingdom—and I say the United Kingdom. Mr Harris, do you have a view?

**Mr Harris:** Let me just say that of the 1300 new carriages, 400 of them have already been procured and the balance—

**Q926 Chairman:** Yes, and all in one programme so that we know exactly the same thing will happen that happened before, where we had a rush of procurement, then a desert, then another rush of procurement, and then another desert.

**Mr Harris:** That is precisely what happened when the funding structure for the industry was done on a year by year basis, and the reason the industry has welcomed a five year planning and spending process is because it is exactly aimed at avoiding those peaks and troughs. When we start rolling out the new rolling stock, it will happen. I cannot guarantee it will be exactly the same number of carriages every month over that five year period, but we are doing as much as we can exactly to address the peaks and troughs argument, which is a problem not just for the rolling stock companies, it is a big problem for the supply companies as well, and that is something that I feel very strongly this is actually aimed at addressing.

**Q927 Chairman:** Are you quite happy that the White Paper takes sufficient account of the environmental potential of rail?

**Mr Harris:** Yes.

**Q928 Chairman:** You will be aware there has been quite a lot of criticism?

**Mr Harris:** Along what lines, as it were?

**Q929 Chairman:** That there was insufficient long-term vision in the White Paper and, for example, the Chartered Institute of Logistics and Transport said the Government should recognise that rail, which is very low in emissions compared with road or air, will not be able to play its part by absorbing more traffic if investment decisions are not taken in time.

**Mr Harris:** First of all, we are the first to present an increase in the number of people actually using the railways and that is set to double in the next 30 years. I fail to see how that can be anything other than beneficial to the economy. When people criticise the 30 year strategy as not having vision, in 1996 we were planning for the demise of the industry and for us to be able to sit here today and say that what we are planning for is for more than 2 billion people to be using the industry every year and for it to be more efficient and a better performer and safer than it has ever been in its lifetime, I am sorry if that sounds a bit dull but I actually think that is a vision that is worth it.

**Q930 Chairman:** I think, Minister, perhaps you misunderstand the attitude of this Committee. We
have, for many years now, been pushing for investment for the railway system. We are actually very concerned that this industry should move into the 21st century ahead not only of its traditional patterns but ahead of other forms of transport. We have total commitment and faith in the Government's ability to put the money in, and we are very proud and delighted you have done so. We do not feel that what you do is absolutely open to being regarded as infallible, so it may be that we will have criticisms from time to time.

Mr Harris: My comments there, Chairman, for clarification, were aimed at the wider audience watching this on Parliament t.v.

Chairman: Thank you, Minister. It is always a delight to have you here. I hope you are still as happy as you were when you came in!
Written evidence

Memorandum from T N D Anderson BSc BA MSc CMILT (RWP 01)

1. INTRODUCTION

The following submission is based on my professional experience and knowledge of the rail industry and transportation generally in the UK and internationally over the last 30 years. The submission covers process, strategic issues such as sustainability and some strategic objectives.

2. PROCESS

Any long-term strategy will require a broad consensus across the industry, among politicians, the public and funding agencies, to survive both the vicissitudes of political, economic and social change, and of the demands of the environment and sustainability.

The draft strategy should be open to public and stakeholder participation, and to critical examination in impartial fora.

3. STRATEGIC ISSUES

3.1 Sustainability

It is a moot point whether powered movement (e.g., peak-time commuting by rail, road freight) could become sustainable. The environmental impact of all transportation, save walking and cycling, is substantial, and its reduction is already desirable and may become essential.

While today’s movement patterns have been built up over time—largely since the 1950’s when cars became widely available—they are nonetheless short-term in a historical sense. In a similar timeframe I contend that it should be possible to reverse this trend without impinging on people’s right to travel (by environmentally-friendly means).

Much of today’s travel is repetitious and avoidable, and places extreme and expensive demands on transportation networks during peak hours. Shorter working weeks, more shift-work and especially more home-based work could significantly reduce peak-hour commuting, with substantial potential savings in infrastructure and rolling stock provision. Additionally, consideration should be given to preferential employment policies that favour local workers, and to more generous re-location incentives.

Recent trends in world commerce suggest that equalisation and convergence of the costs of production will emerge over the coming decades. Furthermore, the inevitably increasing cost of transportation per tonne-kilometre will encourage sourcing locally. This is already becoming the case with organic and other fresh food and a reduction in world trade volumes is likely within the medium-term. Any expansion of freight-only infrastructure may lead to over-provision.

3.2 Modal shift

Any shift to more environmentally benign modes should be supported. Rail, with lower energy demands and less environmental impact per seat-kilometre than other powered modes (though all are capable of improved performance), should therefore have the highest priority for availability and accessibility across the country (using complementary modes to assist, where necessary). Its role as the natural spine of the transportation system needs to be powerfully reasserted and reinforced.

Rail, including light rail and metros, is the one mode that can effect significant modal shift from motor vehicles and, if sufficiently high speeds are attained, air.

This is a fundamental reality, which needs to be grasped and fully understood. There is now widespread agreement about the desirability of such modal shifts, and some progress has been made with travel plans, enhanced public and shared transport, and increased parking charges and restrictions in urban centres.

This is not to say that bus and coach have no contribution to make. Their role in relation to rail needs to be considered not as competitive but as complementary. They are able to penetrate where heavy rail cannot. They already provide an efficient, accessible and available “in-fill” service. Better coordination among all modes would increase load factors. Interchange and information services should be greatly enhanced.

Should transportation demand continue to increase, and its sustainability and desirability be confirmed, there may be a case for an “ultra-high speed” (UHS) route from southeast England to central Scotland.
Much will be made of its high cost (£30 billion?), but the cost of maintaining the current preferred mode (car) needs to be taken into account and fairly compared—not only the social and economic costs of car use, but also its environmental and safety impacts.

3.3 Modal interchange

At present, interchange between modes in most locations can be awkward and time-consuming. This is notoriously so between many London Underground and Network Rail stations.

Minimising access and interchanges time decreases overall journey time, often significantly. Few interchanges have been designed with step-free access in mind, and fewer with minimising walk distances. Station and interchange design and refurbishments should give priority to these as primary design criteria.

New interchanges should be developed at airports and motorway junctions.

3.4 Flexibility and Resilience

The upgrade for Felixstowe—Nuneaton (F2N) route will end the dependence on the North London Line for northbound freight.

All existing rail routes be considered part of the one network (some qualifications follow), where common standards need to prevail, inter-operability is possible, and whenever required for maintenance, breakdowns or other incidents.

While some routes might be designated as “mostly passenger” or “mostly freight”, operational efficiency requires the ability to re-route trains at short notice, essential to maintain services and public confidence.

3.5 Conformance with European Standards

With international inter-operability increasingly being sought, the highest European standards (EC) should be adopted for the loading gauge for all new and refurbished infrastructure. While this will result in higher costs initially, retrofitting an upgrade at a later date would involve substantially greater costs.

It may be that the higher standards built into a particular link is not be exploited for some time. The latter is preferable to new services and higher speeds being prevented because of infrastructural constraints.

Similarly, standard (and step-free) train floor and platform heights (for heavy rail, metro and light rail, as appropriate) need to be implemented and non-compliant rolling stock phased out over time.

3.6 Speed

Higher speeds may increase capacity (appreciably from a low base), and marginally improve fleet utilisation.

The UK’s proximity to French and other high-speed European networks inevitably leads to unflattering comparisons. The potential of high-speed rail has been neglected here. The neglect has been counter-productive—one has only to look at the impact of the Jubilee Line extension on property values along its route, or the impact of the TGV on the Lille area.

Dreams of connecting London with key northern cities via a UHS line should therefore be examined carefully for the regional development spin-offs that would undoubtedly occur.

Should increased transportation demand be acceptable, sustainability criteria met and modal shift from air to rail sought, there is a case for a north-south UHS line.

Train speed could also assist in rationalising operations at London’s airports. If a high-speed line (VHS) were constructed around London, connecting Stratford International to Stansted and Luton airports, and Gatwick and Heathrow airports, the airports could be run as a London hub, the world’s largest.

Inter-terminal transfers might be as convenient and quick as they now can be within the same airport. The efficiencies and cost-savings gained could be significant, and the continued expansion of an already bloated Heathrow airport could be avoided.

3.7 Network and Speeds

For the purposes of analysis, routes and links are classified below by the upper bound of their “indicative design speed”, loading gauges and service style.
3.7.1 Speed Summary Table

<table>
<thead>
<tr>
<th>Network/Link</th>
<th>Symbol</th>
<th>Design Speed</th>
<th>Indicative Operational Speeds</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Km/h</td>
<td>Maximum Typical Km/h</td>
<td></td>
</tr>
<tr>
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<td>LN</td>
<td>150</td>
<td>100–150</td>
<td>60–100</td>
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<td>150+</td>
<td>120+</td>
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<tr>
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<td>150–200</td>
<td>150+</td>
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<td>UHSN</td>
<td>400</td>
<td>350</td>
<td>250+</td>
</tr>
</tbody>
</table>

3.7.2 Local Network (LN)

The LN consists of all lines where mainline services cannot or would not be operated. They are used by low frequency and short distance freight or shuttle services. These are often ends of lines or spurs, typically with one terminus at a mainline station.

3.7.3 Sub-Regional Network (SRN)

The SRN includes routes where regular sub-regional or regional services might operate, often between two or more mainline stations. The services may share their routes with mainline traffic.

Much of the current infrastructure of the LN and (off-mainline) SRN may suffice for future use though accessibility improvements should be pursued and gauge improvements may be required.

3.7.4 Freight Network (FN)

The FN is the lines that are unlikely ever to have passenger services. Freight routes may include links of other networks, but many are spurs.

Non-spur FN and HS networks should be designed with on-board signalling.

3.7.5 Inter-Regional & High Speed Network (RHSN)

The RHSN is where HST’s and other higher speed inter-city type trains currently operate (eg. Swindon—Gloucester, Manchester—Leeds) with maximum operating speeds more 150 than 200km/h.

The RHSN should be progressively upgraded, minimally to EHS, and VHS for some links.

3.7.6 Enhanced High Speed Network (EHSN)

The EHSN is where HSTs (125s) operate. The strategic engineering objective is to ensure that 200km/h is the minimum rather than maximum operating speed for a larger proportion of the route.

3.7.7 Very High Speed Network (VHSN)

The VHSN consists of the London—Europe link, HS1, plus any new or upgraded high-speed lines (eg. WCML). The ECML would not be upgraded to this standard unless a firm decision against a UHS route to the North was made.
3.7.8 Ultra-High Speed Network (UHSN)

The UHSN might comprise a new route to the North from London, possibly by Maglev.

3.8 Network Loading Gauge Standards

3.8.1 Safety and Infrastructure

All networks must comply with the highest safety standards.

Two or more standards for infrastructure are likely to emerge from an analysis of existing and proposed routes. However, all FN, EHSN, VHSN and, if steel on steel, UHSN should be constructed or reconstructed to meet the EC loading gauge. This would provide maximum flexibility and resilience.

Wherever LN or SRN services utilise mainline track, the higher loading gauge would help improve service reliability.

3.9 Service Styles

3.9.1 Local and Sub-Regional Services

Services operated on LN, SRN and mainline links, often on tracks shared with high-speed services.

3.9.2 Inter-Regional and National Services

These largely operate on the existing inter-regional regional and high-speed networks, much of which should be considered for upgrading.

3.9.3 National and International Services

The only VHS line is HS1, for Javelin and London—Europe passenger services. Future VHS lines might include London—Bristol/Cardiff, London—Manchester/Glasgow.

3.10 Capacity Enhancements

3.10.1 Through-Running

Station reconstructions should provide for through-running on all high-speed and inter-regional routes. At Reading station, and elsewhere where space is severely constrained, grade separation should be provided.

Increased demand for freight on rail will require many more railheads.

3.10.2 Multiple Tracking

Duplication of track to provide for inter-regional and sub-regional services alongside high-speed track is inevitable and necessary to make best use of the corridor (eg. London—Cardiff, London—Cambridge).

In heavily used corridors (eg London—Reading), four-tracking would be desirable now. Where single-track routes are preventing service growth to meet increased demand, double-tracking should occur (eg. parts of Plymouth—Penzance).

3.10.3 Train and Platform Lengthening

Recent announcements by Network Rail indicating their intention to lengthen trains and platforms are very welcome and essential to make best use of the track. The future inter-regional and high-speed networks should provide for 12c trains at all stations.

3.11 London

While Crossrail may have become inevitable, I consider that too many stops and inappropriate termini have compromised the concept of a fast sub-regional service across the city. Superlink appears to be a better option.

While major UK cities are generally well provided with radial routes, orbital routes are rare. Yet in mature cities like London and Melbourne, orbital travel accounts for around 44% of the total.

It is often claimed that orbital travel is diffuse (but so is radial travel—around all 360!) and that radial routes cannot readily capture it. Yet this is plainly not so—the volume of traffic on the North Circular Road and the North London Line is surely strong evidence to the contrary.
Arguably, the Circle Line is the most important metro line outside the peak hours (though its role then is critical too). Its indifferent performance, interference with other lines sharing its tracks and lack of rolling stock all suggest a more fundamental review is called for.

I propose that the Circle line be “sunk”, ie that a new Circle line be constructed at a much deeper level along a rationalised route (permitting efficient interchange at Euston, or connecting Waterloo perhaps). Large high-speed lifts would carry passengers from the surface and from intersecting lines to the platforms at selected stations. Much of the new Circle line could be constructed without interfering with existing services.

The capacity then released on the present Circle Line route would enable service improvements to the District, Hammersmith & City and Metropolitan lines.

The major challenges facing London’s metro are to maintain the higher standards now being achieved, and to improve the efficiency of access, accessibility and interchange.

I strongly support the development of the “Outer Circle” orbital rail route. The upgrading of the North London Line to higher frequency and longer trains will assist in reducing road traffic on the North Circular Road and improve air quality in North London. Similar benefits are likely to occur all around the orbital route.

A surface-level orbital tram within the M25 should be given serious consideration. The development of tram networks within London must be considered inevitable, not only for passengers but for freight and recyclables (cf Amsterdam, Vienna).

An orbital VHS line further out from central London could connect the airports (refer to 3.6) and permit north- or westbound services to by-pass London.

3.12 Other Routes

3.12.1 Land Use and Transportation at the Macro Scale

Rail’s importance and advantages suggests a primary role for it in connecting major new and expanding developments.

Much of the UK’s rail network is centred on London (in radial routes) and to a lesser extent, other major cities. The case for developing more orbital routes or arcs thereof is compelling (eg. Cambridge—Oxford). Route development will require recognition of present and emerging movement patterns and the European Commission’s TENS networks.

The case for concentrating growth at, above and around stations (nodes) has been accepted but now requires appropriate land use designations and implementation. The air rights above stations and corridors should be exploited for land use development and revenue-generating purposes.

Below, I have highlighted several routes where proposed and likely land use developments suggest the requirement for new and upgraded lines. These routes and areas are ones that I have some familiarity with.

There are no doubt others throughout the UK where similar considerations should apply.

3.12.2 South Coast—South Wales; Swindon—Plymouth via Westbury

It is currently very difficult to travel from the South Coast to South Wales (Portsmouth—Bristol etc), and roads in the southwest generally provide poor service for the levels of traffic. The expansion of roading in these areas has proved to be highly controversial, and is not in any case a desirable solution.

Similarly, current rail services are completely inadequate, largely because of rolling stock quality and availability, and platform length constraints. Typically, the service from Cardiff to Southampton is heavily over-loaded at times, with passengers sometimes being left behind and frequently very poor travelling conditions.

Increasing population pressures in the south and southwest will require upgraded track and services along these routes, to EHSN (and EC) standard.

3.12.3 Avon/Somerset—South Wales

A fourth crossing of the Severn Estuary or Bristol Channel ought to be utilised as a rail route.

The proposed Severn Barrage would link north Somerset with Penarth, and might conceivably provide a Taunton—Weston-super-Mare—Cardiff link. However, there are substantial environmental objections to this proposal. Furthermore, it is difficult to conceive of a strategic rail link in the area by-passing greater Bristol.

The alternative Shoots Barrage, proposed by consultants Parsons Brinckerhoff, would have significantly lower environmental impact and could be designed to incorporate rail lines within its structure. Shoots Barrage would lend itself to a Bristol Parkway—Newport VHS rail link.
3.12.4 London—Cambridge—Peterborough and Thames Gateway Corridors

These areas are scheduled to have major population growth over the next 20 years, and are relatively close to each other. However, the rail connections between the corridors meet in already busy stations at Tottenham Hale, Stratford, Hackney Central/Hackney Downs, and London Liverpool Street, all at the intersection of their southern (L-C-P) and western (TG) ends respectively.

This suggests that a more direct link between the centres of these areas should be considered—possibly Medway Towns—Basildon—Chelmsford—Stansted.

3.12.5 North Wales—South Wales

It may appear that there would never be a case to support this route. Nonetheless it would have strategic value in addition to its symbolic and cultural importance to Wales as a nation.

Travel by car between north and south is just too slow, by rail too circuitous and by air unjustifiable. I propose that an incremental approach to developing the route should be taken—upgrading the Heart Of Wales line to double-track throughout, and extending the line along an appropriate route to connect with cross-routes in stages until completion in the medium- to long-term.

3.12.6 Reading—Waterloo, Salisbury—Waterloo

The problem with these routes is that the services are simply too slow. Too many stops, trains that are unable to reach their cruising speed between stations and little or no ability to pass stopped trains.

The increasing volume of travel on these routes suggests an upgrade to EHSN (and EC) standard, perhaps in conjunction with a London orbital VHSN route.

3.12.7 Glasgow—Edinburgh

I am sceptical about proposals for a Maglev line connecting the cities, on the grounds that the distance is too short to justify the reduced travel times. Total journey time is unlikely to be enhanced given the potential termini locations, and access time is more significant.

There is a case for enhancing the existing line speed to EHS or VHS, provided that access times to Waverley and Glasgow Central termini from their hinterlands are improved (note that rail strategy in The Netherlands is aimed at achieving the latter).

4. INTERIM STRATEGIC OBJECTIVES

4.1 Financial

While present plans and funding levels will be helpful in meeting current and near-future demand, implementation of a 30-year strategy demands extra funding.

I propose that a “strategic rail fund” of £2 billion a year is established. Planning could begin at short notice. Planned works could be upgraded to the standards proposed by calling on such funds.

Contributions may be secured from the European Commission (via TENS etc) and private sources.

4.2 Planning

Industry, commercial and political consensus and buy-in will be required to ensure that an agreed strategy is supported consistently over time. The first requirement then is to determine the appropriate strategy by subjecting the draft to scrutiny and gaining agreement on the way forward.

Consultations should take place in an open forum, involving all stakeholders, especially rail users (passengers and freight interests).

Meanwhile, enhanced specifications for each network should be developed.

Once the strategy is finalised, the planning of “what”, “where”, “when” and “how” can begin—the land designations, routes and networks, station upgrades, interchange developments and the programme and project management.

4.3 Complementary Objectives

Given the commitment that the UK may now make to rail in the long-term, consideration should be given to the potential of complementary opportunities that will be released by network expansion . . .

— for UK commercial and academic interests in rail research, technical development, staff training, rolling stock design and construction;
— for improved asset management, management of rail reserves and trackside; and
— for regional development.

5. CONCLUSIONS

The 30-year rail strategy is a welcome opportunity to plan the future of the key element of the UK’s transportation infrastructure. For the exercise to be worthwhile, it must take account of all stakeholders and its implementation be fully funded.

The strategy should set the baseline for rail infrastructure and capability over a much longer period. The lifetimes of rolling stock can be 40 years, that of bridges upwards of 150 years. Decisions made in the next few years will have implications for decades beyond the strategy’s horizon.

The draft strategy should be rigorously scrutinised and evaluated. At the same time, it is necessary for action to be taken without undue delay. The strategy should galvanise the railway industry and give it an impetus not seen since the days of Brunel.

Memorandum from UNITE (RWP 02)

1. EXECUTIVE SUMMARY

1.1 Good, accessible public transport greatly enhances the quality of life for many of our members. However, for many others, access to the network is either very difficult or impossible. UNITE welcomes the recognition that the rail network must respond to the needs of an ageing population. The correlation between age and increasing physical infirmity will increase the importance of improvements to physical accessibility.

1.2 We also welcome the White Paper’s recognition of the importance of the economic contribution of older people and those with reduced mobility.

1.3 Unsuitable formats of information, meagre availability of transport to and from stations, poor access and facilities in stations, occasionally sporadic assistance at stations and un-modernised rolling stock often combine to mean that many older people, and those with reduced mobility, do not consider making rail journeys even in emergencies.

1.4 Access to rail should be a cross-cutting Government objective. For example, ability to use the rail network will impact upon the Department for Work and Pensions objective of getting one million older people into work and the Department for Children, Schools and Families aim of improving choice in education.

1.5 Whilst UNITE welcomes the White Paper, we are concerned that the timescale for improvement of access for people with reduced mobility has been repeatedly put back. The 1995 Disability Discrimination Act set 2004 as a deadline for accessibility in the rail network. In 1997, the Labour Party included in their manifesto a pledge to respond to the needs and requirements of all social groups by delivering accessible transport within accessible environments. In 1998, Railtrack published a consultation on improving access to rail services. The 2004 Transport Select Committee report recommended that “the rail system should be made accessible as soon as practicable; it is not acceptable for disabled people to have to wait for 20 or 30 years for this to happen”.

1.6 We welcome the Government’s intention to deliver improvements at 150 stations. However, we are concerned that this investment will only be committed following scrutiny of the industry delivery plan by the ORR. We urge the Transport Select Committee to ensure that the Government do not “opt-out” of station improvements. It is vital that this money is committed to improving conditions at stations, rather than being applied to measures to increase capacity.

1.7 We are disappointed that this essential work has not previously been given the necessary priority, but we welcome the current commitments and hope that this renewed effort and investment will lead to major improvements in rail accessibility.

2. INTRODUCTION

2.1 UNITE, the National Federation of Royal Mail and BT Pensioners, is the oldest and largest occupational pensioner organisation in the UK, with over 100,000 members nationwide. We campaign on behalf of our members and older people in general, on issues such as improving pensions, health services and transport.
2.2 UNITE welcomes the opportunity to respond to this inquiry. Our members have a keen interest in accessibility of the rail network and we have been actively engaged with Railtrack, ATOC, Network Rail and the SRA since 1998. Personal comments on access from our members have been forwarded on a regular basis to the relevant authorities.

2.3 We have sought to work in partnership with a number of other organisations in sharing views and concerns relating to access to rail, particularly at stations. In 2006, UNITE established the Access to Rail Stakeholder Group, until recently chaired by Sadiq Khan MP. The group brings together those facing similar access problems, such as disabled and older people, those travelling with children and those with heavy luggage. It includes representatives from a range of diverse organisations, including ATOC, Network Rail, South West Trains, The Guide Dogs for the Blind Association, the Family and Parenting Institute, SCOPE and the Civil Service Pensioners’ Alliance.

2.4 The group has provided an excellent forum for users and the rail industry to come together and discuss constructively ways in which to remove some of the barriers to rail travel that currently exist and that decrease confidence in the railways.

2.5 This response comes directly from UNITE, but the views of the Access to Rail Group are reflected in our messages. We hope that the Committee will take into account the strength of cooperation on these issues from the private, public and charitable sectors, as evidenced by the membership of the Access to Rail Stakeholder Group (see Appendix A)

2.6 The Committee has invited views on all aspects of the Government’s proposed 30-year strategy; however we have limited our evidence to comments on Chapter 10 “Delivering for Passengers”.

3. DEVELOPING A PASSENGER STRATEGY

3.1 The barriers to using the rail network system as a whole are well illustrated in Figure 10.2 on page 95. For completeness, a list of the pressing concerns for UNITE members follows:

— Poor transport to and from local stations. This can be as a result either of a general lack of local transport or because the existing transport links offer poor access for disabled and frail elderly people.
— Access to platforms—in particular footbridges. There seems little point in having accessible trains if the platforms themselves are not accessible.
— Lack of staff at stations to help.
— Staff having insufficient information concerning other stations on a person’s intended route.
— Booking 24 hours ahead with the Assisted Passengers’ Reservation Service (APRS) works only if the person knows precisely when they will be travelling and returning eg: Shopping is often not a planned journey.
  Visiting sick relatives in an emergency.
  Change of mind on the time of the return journey or destination.
— Even if the APRS is used occasionally staff at the destination have not been informed.

4. FARES

4.1 We support the simplified fares structure, as it will increase clarity and ease of travel.

5. MAKING IT EASIER TO BUY TICKETS

5.1 In general we support the development of Smartcards. We agree that the rail industry needs to facilitate Smartcards, paper ticketing and mobile phone technology. However, users must be confident with the technology in order for them to get the best information. This is disproportionately a problem for older passengers. Most importantly there must be a choice of methods available which cover customers with disabilities or reduced mobility.

5.2 Despite the declining use of ticket-offices, it is essential for train operators to maintain a strong staffing presence at stations to provide assistance and reassurance.

5.3 We support the integration of bus and rail travel. It would also be useful if access to train times and seat booking facilities could be designed with a common user interface so that moving from one operator to another is simplified.
6. Fast, Accurate, Helpful Information

6.1 Improving pre-journey information and assistance will benefit many passengers. Where a person has impaired mobility, this is made more pressing.

6.2 The user interface for access to information should be the same across the rail network. The Disabled Person’s Railcard web site is excellent and user friendly but its design is very different from the National Rail Enquiry web site to which it is linked and this could easily cause confusion.

6.3 In general the web sites of individual train operators are good and will be further improved when redesigned to meet disabled access guidelines. However, users must be confident with the technology to get the best information.

6.4 Additionally, older people often do not recognise themselves as disabled. Consequently they are often unaware of the support that is available to them. Sources of support should be listed on the Senior Persons Railcard.

6.5 We believe that membership and voluntary organisations such as UNITE, the RNID, the RNIB and SCOPE should be kept regularly informed of access improvements so that we can communicate them to our members through our own publications. Local authorities, including Town and Parish Councils, should be given information to circulate to their districts and towns. Trades Unions would be a good source of help in disseminating information to disabled people in work.

6.6 The Government, ORR and Network Rail should also use local newspapers and other media channels by taking adverts when improvements are made.

6.7 Drivers on many trains make announcements during the journey. However, this is patchy and often the intercom system is inaudible. Servicing of trains should include the intercom systems to ensure that they are always working and drivers should be trained to make announcements regularly. Alternatively, the technology in use on the London Underground which announces the next station automatically should be considered.

6.8 It is essential that staff are trained to help people with learning, mobility, sight, hearing and language difficulties. Crucially, the staff operating the National Rail Enquiry Service and the TOCs should be fully informed of new improvements in accessibility so they are equipped to answer any queries made by disabled and elderly people prior to travel.

7. Meeting the Specific Needs of Disabled People

7.1 UNITE welcomes the Government’s decision to include the entire journey, from decision to travel to reaching the final destination in the thirty year strategy. We also welcome the recognition of the economic contribution made by older people and those with mobility impairments.

7.2 UNITE and the Access to Rail stakeholder group broadly welcomes the recently strengthened DDA. However, the DDA focuses on service providers who have short term interests due to short franchises. For example, South West Trains found that over 20 years it would cost £200 million to put in place step-free access at all stations. A five year franchise period makes this type of investment unviable. As a result, operators are pushing “soft options” for improvements rather than addressing the source of the problems.

7.3 The needs of passengers with reduced mobility should be factored into planning at the earliest possible opportunity.

7.4 Although guidance can be helpful, standards are required to ensure that operating companies provide for disabled passengers.

7.5 We agree that the requirements of disabled people “before travelling” are best left to the rail industry to develop in partnership with users. However, we believe that the Government should ensure that all rail user groups have representation from disabled people, older people and parenting organisations. The Government should also specify minimum standards for the provision of information prior to travel.

7.6 We are pleased that the European Standard for Persons with Reduced Mobility (PRM-TSI) will provide standards for both the train and the station in a single document. Many of our members have expressed concern over differing levels of accessibility on the train and at stations.

7.7 We believe that the Access to Rail Stakeholder Group provides an excellent example of users and rail operators working together to engage with the Government to ensure that standards remain appropriate and encourage innovation. We welcome further Government engagement on these issues.

8. Better Access to Stations

8.1 UNITE welcomes Transport 2000’s suggestion of developing station travel plans. However, station plans must include those with reduced mobility. Consequently, we would welcome early consultation on the travel plan process.
9. IMPROVING CONDITIONS AT STATIONS

9.1 Improving conditions at stations remains our main priority.

9.2 We welcome the additional £150 million to support the modernisation of 150 intermediate stations. However, UNITE and a number of members of the Access to Rail stakeholder group are concerned over the lack of transparency in the selection of stations to upgrade. Although footfall is an important criterion, it inevitably favours stations in London, the South East and other urban areas.

9.3 We suggest that measuring the success of the delivery plan will be difficult. There may be degrees of difficulty in accessing information and stations for different disabilities. For example, deaf passengers are not necessarily affected by footbridge access to platforms and can complete their journeys with help (very many without) from station staff. However, a footbridge is often a complete barrier to beginning a journey for many elderly frail or disabled people even if staff are available. Therefore, using the number of people benefiting from an improvement may not be a fair measure of the cost effectiveness of the improvement, unless reasonably reliable base line data are available. The criterion of being able to make a journey after an improvement, but not before should in our view carry much more weight.

9.4 Consequently, we are concerned that Government will use the ORR scrutiny to opt-out of its commitment to improve conditions at stations, re-directing the investment to measures to increase capacity. We therefore urge the Transport Select Committee to ensure that the £150 million is ring-fenced for station improvement.

9.5 We believe that all new investment in the rail network should be combined with station renewal.

9.6 We are interested in the development of the new Stations Code and would welcome the opportunity to comment on it.

9.7 UNITE and the Access to Rail stakeholder group would also welcome the opportunity to comment on the forthcoming guidance on the customer service issues for disabled people.

10. BETTER TRAVELLING CONDITIONS ON TRAINS

10.1 We appreciate that many improvements have been made to rolling stock. However, we are concerned that the area available for wheelchairs in rolling stock may not improve as it is subject to a percentage dictated by European Directives.

10.2 Although we do not object to the use of cycles on trains, some members have expressed concerns over space for cycles versus wheelchair space.

11. CONCLUSIONS

11.1 Improving access to the rail network is a matter of social justice and should be a cross-cutting Government objective. The Access to Rail stakeholder group demonstrates the willingness of the rail industry, the public, private and charitable sectors to co-operate to achieve common objectives. However, without Government support very little can be achieved.

11.2 UNITE and the Access to Rail stakeholder group would welcome the opportunity to present further information to the Transport Select Committee in writing or in person.

APPENDIX A

MEMBERSHIP OF THE ACCESS TO RAIL STAKEHOLDER GROUP

— Access all areas
— Age Concern
— Atkins Rail
— ATOC
— Civil Service Pensioners Alliance
— Confederation of Passenger Transport UK
— Disability Rights Commission
— Disabled Motorists Federation
— General Social Care Council
— Guide Dogs for the Blind
— Hearing Dogs for the Deaf
— Help the Aged
— London 2012
— National Parenting and Family Institute
— Network Rail
— Parkinson’s Disease Society
— Queen Elizabeth Foundation Mobility Centre
— Scope
— South West Trains
— Transport for London
— UNITE
— Virgin Trains

September 2007

Memorandum from the Department for Transport (RWP 03)

SUMMARY OF RAIL WHITE PAPER COMMITMENTS

PROJECTS
— Thameslink Phases 1 (December 2011) and 2 (December 2015)—£3.55 billion Infrastructure £5.5 billion total;
— Reading station and area capacity improvements—£425 million;
— Birmingham New Street station improvements—£128 million;
— completion of West Coast Main Line enhancements:
— Stafford remodelling and re-signalling;
— Bletchley—Milton Keynes remodelling and re-signalling;
— Colwich/Armitage junction improvement;
— route power supply upgrade;
— continued development of radio-based cab signalling (ERTMS);
— infrastructure to facilitate the new inter-city express trains;
— £150 million to improve 150 medium sized stations;
— £200 million to facilitate strategic freight network infrastructure;
— £225 million (£45 million per annum) for the Network Rail Discretionary Fund (infrastructure schemes costing under £5 million);
— 1,300 extra carriages, 300 of these for growth in England outside London; and
— if Crossrail powers are granted, Network Rail to undertake the infrastructure works on the existing railway outside the tunnel;

Safety—a 3% reduction in the GB level of risk to passengers and rail workers;

Reliability—improving from 88.6% today to 92% PPM on long distance and regional services, and 93% on London and South East, with 36%, 27% and 21% respective reductions in significant lateness and cancellation; and

Capacity—6 billion additional passenger km (14.5%) to be accommodated. 34,000 extra high peak hour passengers into London and 10,000 into other major cities; an aggregate growth of 13.7% and 18.4% respectively.

A. INTRODUCTION

1. The White Paper Delivering a Sustainable Railway (Cm 7176) provides strategic direction for the rail industry. It also sets out how much public expenditure the Government wishes to devote to rail and specifies what it wants the railway to deliver, notably in relation to safety, reliability and capacity. Scottish Ministers have a similar duty. The formal statement, including the High Level Output Specification and Statement of funds available, is contained within the White Paper. It covers the period 1 April 2009 to 31 March 2014.

2. The White Paper looks at the potential future challenges for the railway over a 30-year horizon and identifies other investments not covered by the HLOS. The long-term agendas for Government and the rail industry working in partnership are: increasing the capacity of the railway; delivering a quality service for passengers; and fulfilling rail’s environmental potential. At the same time, the Government published a technical strategy which has been developed in partnership with the rail industry. This looks at where the best of current and new technology can be used to deliver the White Paper.
B. INCREASING THE CAPACITY OF THE RAILWAY

3. One of the Government's first priorities was to increase capacity on the West Coast Main Line. By 2008, there will be an additional 80% passenger and 70% freight capacity on the line. The Government also supported growth on the Chiltern Line into Marylebone. The new-style Gatwick Express service will run beyond Gatwick to Brighton at the busiest times of day, so doubling the number of London-Brighton express trains in the high peak. The new West Midlands, East Midlands, Cross Country and east Coast franchises provide more frequent and increased services on key routes to accommodate future passenger growth. Cities benefiting include Leeds, Nottingham, Sheffield and Lincoln.

4. The Government is committed to making further inroads into the problems of overcrowding on some services now and to meet the projected increases in passenger and freight journeys in the future. On top of the record sums already committed until 2009, the Government will invest a further £10 billion on delivering enhancements alone over the following five years. Between now and 2014, the Government will provide the money for more trains and more capacity to enable growth and to tackle over-crowding.

5. Focussed on improving the busiest routes, delivery of HLOS will see the provision of 1,300 new additional carriages to tackle overcrowding, with 300 of these addressing the growth in demand in Birmingham, Leeds, Manchester and other major English cities. The Department is already speaking to train operators and Network Rail about putting the 1,300 extra carriages into use as soon as possible on the lines which most need action to tackle overcrowding. Journey times will also improve on, for example, the Trans-Pennine route between Liverpool and Manchester and Manchester and Leeds.

6. On some lines, provision of additional capacity will require new infrastructure. This ranges from the £5 billion Thameslink programme to provide a step change, through the £600 million to tackle track congestion at Reading station and enhance passenger capacity at Birmingham New Street, to a large number of relatively modest—but collectively large scale—individual schemes to lengthen platforms, upgrade electricity supply and provide sufficient depots.

C. DELIVERING A QUALITY SERVICE FOR PASSENGERS

7. Delivery means continuing to get the basics right day in day out, especially safety and reliability. In recent years, the safety of the railways has improved significantly. But the accident at Grayrigg in early 2007 demonstrated—as others have done before—that the railway can never afford to take safety for granted. The Government wants to see a further three per cent reduction in the risk of death or injury to passengers and rail employees from rail accidents, which is challenging not least because increased demand will increase some safety risks.

8. On reliability, the Government has raised the bar—from 88.6% today to 92.6% by 2014. It also wants to see a 25% reduction in the number of delays over 30 minutes—those which inconvenience passengers most. Network Rail must lead this further push for improved reliability.

Improving the passenger experience

9. Passenger Focus research on passenger priorities was an important input to the White Paper. Passenger Focus will have an increased role in the franchising process—representing the passenger interests from early in the process. The Department is currently discussing with them how this enhanced role will work.

10. Improving safety and reliability and increasing capacity is not enough. Travelling by rail needs to be a better experience in other ways as well. The White Paper therefore adds up to a simpler, modern, smarter, and more secure railway.

11. Passengers want simplified ticketing and fast, accurate and helpful information. The Government is working with the rail industry and the devolved administrations to simplify the complex fares system to help ensure passengers choose the right ticket for their journey.

12. Buying tickets also needs to be made easier. Smartcards will be able to be used in all major cities and will be integrated with TfL’s Oyster product in London. This will cut queues at ticket-offices and free more staff to assist passengers and enhance their sense of security. ITSO will be the common smartcard standard across the industry and, linked to the wider rollout of ITSO smartcards as part of the national concessionary bus scheme, it will provide significant improvements. Requirements for ITSO smartcards have already been included in recent new franchises.

13. The Government has also reviewed the case for changing the regulation of “Saver” return fares. Passengers can be faced with a “Saver” single fare of £69 and a “Saver” return of £70, neither of which may be the ideal fare. Focus groups show that most long-distance passengers would prefer an approach more in line with the airlines’ practice of quoting “single-leg” fares for the outward and return legs of a journey.

14. The Government believes that train operators have made a strong case in principle for a future system of “single-leg pricing” on long distance journeys. It is simpler to understand and much easier to match the ticket to the intended journey. But customers need to be convinced that change is to their benefit. The
Government is not therefore altering “Saver” regulation now and would only do so in future on a franchise-specific basis, when the train operator can demonstrate that it would replace the “Savers” with a single-leg ticketing structure which enjoys customer support, benefits passengers and complements the new national fares structure.

15. The Government also wants more pleasant stations with better customer information and facilities. £150 million is earmarked to modernise 150 stations across England and Wales. This investment will focus on medium-sized stations and delivery will be overseen by the independent ORR. It will be backed up by the Campaign for Better Transport’s proposal for “travel plans” to improve access to stations, and by a better deal for cyclists.

A fair deal for passengers and the tax payer

16. The Government’s goal is to protect passengers, achieve a fair balance between taxpayer and the travelling public, while delivering the significant investment that is needed. This investment is not being bought through any changes to fares policy.

17. Any increases in regulated fares, which account for over half the use of the railway and include season tickets and Saver fares, will remain capped at RPI + 1%. Around 80% of passengers do not use the headline-catching first and peak tickets, but buy either a regulated fare or a discounted product. Many of these fares have fallen in real terms over the last 10 years. This leaves unregulated fares which are set commercially by operators, just as they are on other transport modes. The Government intends to keep a close eye on how much the price of these tickets is rising.

18. More people are choosing to travel by train, with 340 million more passenger journeys each year than in 1997. This strong growth also means the railways need less taxpayer subsidy. Having paid the bills in the difficult years when costs rose and under-investment needed to be tackled, the Government can now ease back the burden on the taxpayer—to close to its historic level.

D. Fulfilling Rail’s Environmental Potential

19. A railway carrying more people and freight is good for the environment. But if rail is to keep its competitive edge, it needs to concentrate on improving its environmental credentials. Rail must reduce its carbon footprint but this needs to be seen in context. Rail accounts for <1% of total UK CO2 emissions and there are inherent limitations to the contribution that the railway can make to tackling climate change.

20. Progress means getting on with simple things like training to improve driver efficiency and stopping unnecessary engine idling, plus regenerative braking. It also means designing lighter, more efficient trains like the Intercity Express and testing new and innovative technologies like the battery/diesel High Speed Train.

21. Railway assets generally have a long life and change can’t happen overnight. But for future success, it’s important that environmental issues are kept firmly on the agenda. The industry has committed to setting itself targets for reducing CO2 emissions, to be published next year. The Government will write environmental targets into new passenger franchises and specify an environmental output for the next HLOS period (2014–19).

22. The Government is also committing an additional £200 million to enable work to start on a strategic freight network to provide attractive choices for shippers that do not mean putting extra lorries on the road.

23. The White Paper does not rule out further electrification. It commits the Government to keeping the case for strategic, network-wide electrification under review. It also confirms that in the shorter term there may be a case for electrifying specific routes where there is a clear business and operational need. These are likely to be more intensively used routes where the investment in electrification can deliver the most significant environmental and economic benefits.

E. A Long-Term Strategy

24. The firm and costed plans to 2014 are set in the context of a long-term strategy that looks forward over 30 years. This is challenging because it is impossible to forecast demand that far into the future. So any strategy that tried to build a rigid investment programme based on fixed long-term forecasts would inevitably get it wrong. To overcome this challenge, the guiding principles in the White Paper are:

— first to invest where there are capacity problems now, in ways which offer the flexibility to cope with an uncertain future; and
— secondly, to put in hand the right preparatory work so that, as the future becomes clearer, the necessary investments can be made more quickly.

25. These principles are illustrated by the preparatory work on a new Intercity Express train, with a design which will give flexibility on power-supply and train-formation. They are also demonstrated by preparations for the next generation of signalling that will make a difference in the middle part of the next decade.
26. But the Government will not commit now to a high-speed line, for which the longer term need remains uncertain and which would make little contribution to today's challenges. Such a step would end up diverting resources away from the immediate priorities of passengers.

27. The Government will look again at the case for a high-speed rail line at the time of the next HLOS. Before committing to any such interventions the key criteria of capacity, cost, journey-time benefits and carbon efficiencies would need to be rigorously assessed in a multi-modal context. Meanwhile the priority is delivering the increases in capacity and improvements in performance outlined in the White Paper so that passengers' experience continues to improve.

F. IMPLEMENTING THE WHITE PAPER

28. The balance of responsibility between the Government and the rail industry for the capacity, customer and environmental agendas varies.

29. The Department is responsible for the delivery of some of the component plans within the HLOS capacity metric and has a sponsorship and governance role in assuring delivery of the programme. Facilitating delivery will require substantial planning activity by DfT throughout the remainder of 2007, leading to the publication of a rolling stock plan in January 2008 and negotiations with the industry and individual franchise owners. The Department’s rolling stock plan will guide the industry on requirements.

30. Network Rail will set out its proposals and those of the wider industry in its Strategic Business Plan to be published later in 2007. Following changes made by the Railways Act 2005, the ORR will ensure that the outputs it specifies will, amongst other things, require Network Rail to contribute in an efficient way to delivering the requirements of the HLOS. The ORR’s high level regulatory outputs will have the status of “reasonable requirements” and will therefore be enforceable under the network licence.

31. On the customer agenda, the lead should rest primarily with the rail industry in general and the train operators in particular, because they are closest to passengers. The industry needs to consider how it wants to plan and deliver across this complex and rapidly changing agenda. Skills and training will be essential to delivery of many areas of the White Paper, including assisting customers unfamiliar with the railway.

32. In relation to the environment, the industry has a key role in identifying the most cost-effective options for improving its performance. The Rail Technical Strategy provides guidance to both the Government and the industry on the long-term technical framework for a complex engineering system with long-life assets.

33. At the outset, the White Paper identified that rail does not operate in isolation. The flexibility in the strategy is not just to enable it to adapt depending on how rapidly rail demand grows. It also enables the strategy to reflect how other modes of transport evolve in the urban, inter-urban and international gateway corridors. So transport planning and investment decisions will reflect this multi-modal approach. Good rail planning is a continuous process for Government and the industry, working in partnership to deliver a sustainable railway.

October 2007

SUPPLEMENTARY MEMORANDUM FROM DEPARTMENT FOR TRANSPORT (RWP 03A)

I promised when I gave evidence to the Committee on 19 March that I would write with further information on three items: how our rail planning takes account of future housing growth; about our criteria for assessing the major schemes which feature in the High Level Output Specification (HLOS); and about statistics on passenger use. I should also like to take this opportunity to clarify a comment I made about the effect of the First Great Western’s misreporting of cancellations.

PLANNING FOR HOUSING GROWTH

The department works closely with the Department for Communities and Local Government (DCLG), Government Offices and regional bodies to ensure that transport issues are properly considered at all levels of the planning system.

The final rail passenger demand forecasts for the White Paper and HLOS were adjusted to take account of recent trends in demand including stronger growth ambitions. Developments since the White Paper were published have not, of course, been taken into account. This includes, for example, the more recent work on Eco-Towns and Growth Points. These, though, are large developments and their development will be spread over periods of 10 to 20 years. Their transport implications will therefore be considered in future planning rounds. For rail, this will mean that their impact will be taken into account in the second and subsequent HLOSs.
SELECTION OF HLOS MAJOR PROJECTS

The rail industry planning process of Route Utilisation Strategies, plus the DfT’s Regional Planning Assessments and the DfT’s demand modelling underpinning the Railways Act 2005 Statement, provided an overview of where on the rail network passenger demand and responsive train lengthening would strain existing station infrastructure. In almost all cases this was in or close to city centres.

Rail investment over the last decade has included major rebuilding of Leeds, Liverpool Lime Street, Manchester Piccadilly and Sheffield stations and a number of London termini. In most cases these stations are capable of accommodating the forecast growth during Control Period 4.

The Railways Act 2005 Statement identification of Reading and Birmingham New Street as specific infrastructure projects was based on the state of development of these projects (as agreed single option solutions) and hence a reasonable level of certainty of projected cost and value for money. I am enclosing a copy of the Executive Summary from the consultant’s report on Reading which sets out the appraisal results.

In Manchester, forecast commuter and long distance passenger growth will make demands on track capacity which might be met in a number of ways involving Manchester Piccadilly and/or Victoria. In the absence of an agreed solution, the Railways Act 2005 Statement did not include a station specification for Manchester.

We took the view—and the Office of Rail Regulation subsequently confirmed this—that the public funding specified in the Statement of Funds Available should be sufficient to deliver the High Level Output Specification (HLOS) capacity (and other) metrics, including meeting the cost of additional rolling stock and such supporting infrastructure work as was likely to be required. This could include work to stations not specified in the Railways Act 2005 Statement.

Since the Railways Act 2005 Statement was published, the industry and department have taken forward work on this. Rosie Winterton announced the Manchester Hub study in late 2007. The Yorkshire & Humber Route Utilisation Strategy is looking in detail at the station issues in central Manchester and Leeds. Network Rail’s refreshed Strategic Business Plan, published on 4 April, has identified and costed the infrastructure enhancement the rail industry believes is necessary to deliver the HLOS capacity metric.

PASSENGER STATISTICS

Statistics on rail journeys are published by the independent Office of Rail Regulation in National Rail Trends. I enclose a copy of the relevant table. The statistics are derived from individual ticket sales but are adjusted for the number of train companies passengers can use in the course of their journeys. This means that, if a journey involves travelling on the trains of two different operators, that will count as two journeys.

This differs from my understanding of the position as I described it to the Committee. However, the figures in National Rail Trends, which form a series going back to 1999/2000, have been collected on a consistent basis and, indeed, the basis of the calculation has not changed since privatisation. The steady growth that the table shows is, therefore, genuine. A note to the table makes the point that the method of calculation does have the effect of inflating the absolute number of journeys by a factor of around 5%.

Applying that to the figures in the tables means that the statement that passenger journeys have been running at over a billion for a number of years remains valid.

FIRST GREAT WESTERN

In replying to a question from Graham Stringer (Q782), I said that First Great Western’s misreporting of cancellations had made the position look worse than it actually was. In fact, there were several categories of misreporting. While recalculating some elements of the misreporting had the effect of making the cancellations figure better, the net effect after recalculation was to make the cancellations figure worse.

April 2008

Business Case—Steer Davies Gleave

EXECUTIVE SUMMARY

1. Reading station, with around 17 million annual users, is one of the busiest in the country outside of London. It acts as both a hub station catering for passengers interchanging between services and as an origin and destination for journeys. Currently Reading is identified by Network Rail as the greatest performance and capacity constraint on the Great Western Main Line (GWML).

2. The platform configuration of the station and track layout within the vicinity of the station and station approaches are a critical constraint to capacity and have a detrimental effect on performance. The limitations of Reading station have network-wide implications for achieving improved passenger and freight rail services. In particular:
   — the growth over time of timetabled journeys between Paddington and Reading;
— the need to frame certain service timetables around available capacity at Reading, notably Cross Country where service patterns and train length are constrained; and
— the implications of freight train movements crossing the main lines as they travel north-south between Southampton docks and the west Coast Main Line.

3. The extent of the problem today is forecast to worsen given the anticipated future growth in rail demand. Reading is currently an important commuter market and with the local Borough Council’s proposals for the development of the station and surrounding area this is likely to further increase in importance.

4. With regard to freight, the key container route from Southampton to the West Coast Main Line has been identified for investment to deliver W10 gauge clearance. This, alongside growth plans for Southampton port, would lead to significant growth in container freight movements, only some of which can be achieved with the current Reading station area layout.

STAKEHOLDERS AND OBJECTIVES

5. The proposed scheme, known as the Reading Station Area Re-Development Project (RSARP), has been developed through a partnership of the Department for Transport, Network Rail and Reading Borough Council. Prior to the commencement of the project a set of overriding objectives was identified. They are:
   — performance and capacity improvements on the Western Main Line;
   — for which a masterplan is required;
   — with steps or phases for reaching that masterplan layout;
   — where performance or capacity is improved at each phase (ie infrastructure changes deliver train service improvements); and
   — performance is improved at an early stage with the first phase.

KEY FEATURES OF PROPOSED SCHEME

6. In the station area the scheme will remove two short bay platforms (6, 7 and 10) and provide five new through platforms north of platform 5, including two additional island platforms. Improved operational flexibility will be provided with turnback facilities and additional crossovers enabling bi-directional access to platforms and use by longer trains or two shorter trains simultaneously.

7. The station enhancement will also feature improved pedestrian access between platforms and between the north and south sides of the station facilitating much improved access between the town centre and commercial development opportunities to the north of the station. Associated with the improved pedestrian access are enhanced concourse proposals which are supported and being promoted by Reading Borough Council.

8. To the west of the station the scheme will provide grade separation between the GWML fast lines and the Basingstoke and Westbury lines. This will enable freight traffic and Cross Country services to operate through the Reading area without the need to cross the GWML fast lines at grade, thus reducing the performance risk of conflicts.

9. In addition, west of the station the current maintenance depot will be relocated to a new site to the north of the relief lines.

10. To the east of the station the eastern underpass will be re-instated to link the relief lines with the Wokingham line, enabling trains to operate directly between Oxford, Guildford and Gatwick.

TIMESCALE

11. The scheme is planned to be complete for December 2015. A key element in determining the timing of the project’s delivery is the timetable for the condition led renewals of signalling at Reading, which would be required in the absence of RSARP. Furthermore, GWML performance is not likely to achieve targets with the fundamental constraint on capacity and performance at Reading.

12. The proposed project programme has been developed in order that the infrastructure works are in place prior to 31 March 2016 when both the First Great Western and Cross Country franchises end. It is also anticipated that by this time the investment in the Intercity Express Programme will be delivered. The proposed project timing will therefore enable the introduction of timetables with enhanced outputs to be in the franchise specification. This would thus proved immediate leverage on the increased revenue into DfT from the new franchises.
Benefits

13. The central benefits of the scheme derive from unlocking capacity on the rail network allowing additional capacity to be introduced and improved journey times and performance delivered. As such the proposals are consistent with the Eddington recommendations of addressing network bottlenecks, which then enables the most to be made of the rest of the route, which has a much higher capacity than can be achieved currently.

14. As a result of significantly improving rail services, for passengers and freight, there are environmental benefits from the transfer of trips from road to rail. Local environmental impacts during construction and subsequently will also be minimised as the majority of works can be undertaken within existing railway land.

15. With respect to the other central government objectives the scheme will be beneficial or neutral.

16. There are a number of other proposed schemes that would be enabled or benefit from the investment in Reading station. These include Airtrack, Crossrail, and the Intercity Express Programme. Additionally, the implementation of the Reading project may negate the necessity for other currently proposed enhancement schemes elsewhere, for both passengers and freight. Furthermore, the Reading project delivers readiness for ERTMS and electrification (whether for Crossrail or the main line) within the design.

Appraisal Results

17. The scheme achieves a net present value of nearly £1.7 billion PV and with a benefit to cost ratio of over 4:1 it demonstrates a high Value for Money case for RSARP. A summary of the economic results is shown in the table below.

Economic Results Summary

<table>
<thead>
<tr>
<th>Economic Results Summary</th>
<th>(2002 Prices and values)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Present Value of Benefits</td>
<td>£2,249 million</td>
</tr>
<tr>
<td>Present Value of Costs to Public Accounts</td>
<td>£559 million</td>
</tr>
<tr>
<td>Net Present Value</td>
<td>£1,691 million</td>
</tr>
<tr>
<td>Benefit to Cost ratio</td>
<td>4.03</td>
</tr>
</tbody>
</table>

18. The project would also deliver a positive financial benefit to cost ratio.

Memorandum from Network Rail (RWP 04)

Introduction

1. Further to the Committee’s call for evidence in support of its inquiry into the Government White Paper Delivering a Sustainable Railway, Network Rail would like to take this opportunity to comment. In doing so, it is perhaps useful to clarify Network Rail’s specific role in the ongoing strategic development process of which the White Paper is a key element.

2. As the committee will be aware, the White Paper sets the context for—and contains within Appendix A—the High Level Output Specification (HLOS) and Statement of Funds Available (SOFA) which together form part of the process by which the final settlement for industry funding and outputs for the next Control Period (CP4, which covers the years 2009–14) are derived.

The Strategic Business Plan

3. Network Rail’s first contribution to the current process of setting the outputs and funding levels for the railway in the medium term was the publication of its Initial Strategic Business Plan in June 2006. This document indicated how Network Rail has delivered on the priorities of punctuality, safety and efficiency. It also set out the way in which Network Rail will look to build on this success, and also tackle the new priorities of growing the railway, and making the railway even greener.

4. Following the publication of the White Paper, the next stage is Network Rail’s formal response to the HLOS and SOFA. The Strategic Business Plan (SBP) will be published in early November and will set out Network Rail’s proposed plans for the operation, maintenance, renewal and development of the rail network. While focusing on CP4, high-level projections over a longer period will also be included.

5. Network Rail has worked with the whole industry, most particularly the train and freight operating companies (TOCs and FOCs), in developing a plan that reflects their reasonable requirements; existing initiatives such as the Route Utilisation Strategies (RUSs); the priorities of major funders; and long-term strategies for the railway.
6. The SBP is central to any Network Rail commentary on the White Paper, and this submission necessarily reflects that the document has not yet been published. A copy will be provided as soon as it is available, and Network Rail would be happy to address any specific questions through oral evidence to the committee should this be deemed of assistance.

7. Network Rail’s priorities for the first five years were to improve punctuality, safety and efficiency, and huge strides have been made in these areas. The challenge for Network Rail over CP4 is to maintain absolute focus on these three areas, whilst also taking on the real challenge of delivering a high-performing, growing and ever greener railway.

**Efficiencies and Output Targets**

8. The last 10 years have seen 40% growth in passenger numbers and 60% growth in freight. A further 30% growth is anticipated over the next 10 years. Network Rail has welcomed the investment priority in the White Paper which forecasts a 22.5% increase in capacity to reflect growing passenger demand during CP4. The initial estimate provided by Network Rail in its Initial Strategic Business Plan last year for the cost of the enhancements needed to facilitate 30% growth in capacity was £7.9 billion. These enhancement costs will be contained within the SBP.

9. Overall, the challenge is for Network Rail, working in partnership with the whole industry, to deliver these enhancements cost effectively. The Government, in the HLOS, has set outputs for safety, reliability and capacity, as well as a supplementary specification for major projects and investments.

10. During the periodic review process, which continues until the end of 2008, Network Rail’s work of growing the railway will continue, with hundreds of improvement schemes aimed at removing some of the most disruptive bottlenecks on the railway.

11. Network Rail delivers projects on behalf of a range of other funders including the Scottish Government (which has published its own HLOS) Transport for London, Passenger Transport Executives, Local Authorities and private developers of, for example, ports or freight terminals. Network Rail will therefore be developing the infrastructure in areas additional to those prioritised by the HLOS. Where possible, private sector contributions are being harnessed to support the growth of the railway through schemes such as property developments.

**Capacity**

12. Overall, the capacity specification in the White Paper sets out demand to be accommodated at a relatively high level and load factors for London and other major urban areas. This will require both additional rolling stock and infrastructure to meet the growth forecasts and Network Rail has worked closely with the Department for Transport and the train operating companies to develop proposals for delivering this additional capacity.

13. In terms of major projects, the focus has been on the biggest bottlenecks to free-up capacity. At the top of this list are Reading, Birmingham New Street and Thameslink, all of which were included in the HLOS. In addition, Network Rail will be playing a central role in delivering Crossrail. These major projects are the ones that attract attention, for a range of different reasons, but there are literally hundreds of enhancement schemes Network Rail will be delivering across the network.

14. The £3.55 billion Thameslink scheme will be one of the biggest rail infrastructure projects ever in the UK; and is central to Network Rail’s plans to grow the railway. Thameslink is needed to support economic growth in London and the South East and will tackle the severe crowding seen on some of the UK’s busiest routes by enabling longer and more direct trains to run to more destinations. The scheme will be completed by the end of 2015, but has been carefully planned to deliver benefits for passengers before the Olympic Games. In addition to the investment in the Thameslink Programme, the Government has made funding available for new rolling stock on the Thameslink route.

15. The White Paper provides the first tranche of funding for the £550 million New Street Gateway project to redevelop one of the UK’s busiest stations. Funding from the public and private sector will be invested to tackle overcrowding through a new station concourse, and greatly enhance the experience for passengers. Network Rail’s plans will also support the continued economic prosperity of Birmingham city centre, the wider West Midlands and beyond.

16. The scheme for Reading is a priority infrastructure investment which will tackle a major bottleneck on one of the busiest routes on the network. £425 million will be spent on introducing new platforms, improving track layout, and installing new signalling to greatly improve capacity and reliability for passengers travelling from as far afield as London, Exeter, Southampton, and Edinburgh.

17. This scheme will deliver at least four 12-car platforms to increase passenger and freight capacity on routes from London to the South West and Wales and the number of through platforms will also be increased to allow faster and more reliable services.
18. Key to the development of all Network Rail’s capacity proposals has been the delivery of the route utilisation strategies (RUSs) which Network Rail produces in consultation with the rest of the industry. Although the RUS process has not been completed across the network, it has been or is underway across a significant part of the network and the industry has prioritised those parts of the network under greatest stress.

SAFETY

19. The White Paper specifies, within the HLOS, a 3% reduction in safety risk for passengers and rail workers by the end of CP4 in 2014. The safety improvement on the railways in recent years has been dramatic. It is now safer than it has ever been and by far the safest form of transport. The risk from trains passing red signals, for instance, has fallen by more than 90% over the last few years whilst broken rails are down by more than 80%. In this context, the government target recognises that once you have made such substantial improvements the subsequent rate of change will be slower.

20. As ever, Network Rail sees such targets as a minimum and considers carefully whether more stretching internal targets can be set. The focus on passenger and workforce safety initiatives will continue to be of the highest priority, with educational initiatives to discourage young people from trespassing on the railway and campaigns to educate key sections of the public about the risks associated with level crossings.

RELIABILITY

21. The White Paper sets a 92.6% target for punctuality. If this is attained, it will be the highest levels of reliability that Britain’s railway has ever achieved. Network Rail views this target as realistic but tough, particularly when so much of the network is running at or near capacity and the volume of engineering activity taking place each day will also be increasing.

22. Network Rail is doing a vast amount to make further improvements in reliability, with a massive scale of investment and the highest levels of management focus. There is closer working than ever before between Network Rail and the TOCs through the use of integrated control centres and joint improvement plans. Passengers are seeing the results of this—we have moved from a situation five years ago when one in every four trains were late to a situation now when nine of every 10 are on time.

SUSTAINABILITY

23. Rail is rightly seen as the greenest form of transport, and the White Paper reflects this status. However, Network Rail believes the industry cannot rely on this advantage to be maintained without actively working to further improve environmental performance.

24. Network Rail is now leading the design of the next generation of fuel-efficient high-speed trains, with trials of the world’s first high-speed hybrid diesel train. The industry is working together to improve its environmental performance.

25. Other such activities include work on certain parts of the network to enable train operators to introduce regenerative braking, where a train’s braking feeds power back into the grid, reducing overall power consumption by around 16%. In addition, Network Rail has supported the trials of bio-diesel through the installation of specialist refuelling infrastructure.

DELIVERING FOR CUSTOMERS

26. The White Paper rightly highlights the need for a railway that is simple to use, modern and appealing to passengers. Network Rail is determined to deliver a railway passengers want to use.

27. Central to this is the ambition to deliver a seven-day railway: The company is refining its maintenance and renewals procedures to allow more work overnight, so that, over time, the railway to operate every day of the week.

28. Network Rail will be helping address overcrowding by lengthening platforms on key routes to enable longer trains and more seats. Thameslink services will go from eight cars to 12 cars on key services, with three times as many trains travelling through London every hour (eight to 24).

29. Network Rail is also transforming many of its busiest stations. There are plans to completely renovate Kings Cross, Edinburgh Waverley, London Victoria, Manchester Victoria, Euston, Waterloo, London Bridge and Birmingham New Street. In addition, £150 million will be invested in the highest priority regional stations.
CONCLUSION

30. In summary

— In its first five years, Network Rail has hit every single target on punctuality, financial efficiency and asset condition set by the Office of Rail Regulation.

— The biggest challenge now facing the industry is meeting the massive growth in passenger numbers on an already crowded network. Network Rail’s ambition is to deliver a railway that passengers and freight users rate as the best mode of transport in Britain.

— Network Rail has been determined, in responding to the outputs set in the HLOS, to provide a plan that is efficient, robust and affordable. Network Rail has the track record which proves these ambitions can be delivered, and the collaborative approach of producing the Network Rail Strategic Business Plan reflects the determination at Network Rail and across the whole rail industry to work in partnership to create a better railway for all its users.

— These are exciting, positive times for the railway. There are significant challenges ahead, but they are the challenges that come from building on the many successes of recent years.

October 2007

Memorandum from CTC (RWP 05)

1. ABOUT CTC

1.1. CTC is the UK’s national cycling organisation. More than 70,000 people support our work for cycling and use our services. We welcome this inquiry and hope that our comments will prove useful to the Committee. We intend to restrict our comments to those regarding the White Paper’s provisions for cycling, outlined on pages 104–106.

1.2. CTC believes that cycle-rail integration offers a door to door alternative to the private car, tripling the number of households within 10 minutes of stations and reducing demand for car parking. We are delighted that the Department for Transport has recognised the value of cycle-rail integration shown on page 106 of the White Paper and we wish to thank those MPs who have contributed to CTC’s Keep Cycling on Track campaign over the last year.

1.3. CTC has been involved in promoting best practice in cycle-rail integration for many years, firstly through the “CycleMark” scheme, and latterly through the ATOC Cycle-Rail Awards. We have contributed to the design of refurbished rolling stock and conducted surveys of cycle parking on behalf of the Department for Transport.

1.4. The CTC Policy Handbook, which guides our campaigning activity, sets out our policy on cycle-rail integration. We believe that:

— Facilities for cycle carriage on trains are an essential aspect of meeting the needs of cycle users for both commuter and leisure journeys and delivering the Government’s integrated transport objectives.

— Facilities are needed to enable people to better access stations.

— Secure cycle storage must be provided at public transport interchanges. Fear of cycle theft is a major deterrent to cycle use, so facilities need to be secure.

2. SUMMARY OF POINTS

2.1. We welcome plans in the White Paper to create a Cycle-Rail Task Force to promote best practice. We hope that it will be equipped with a budget in order that it can contribute towards schemes which could help establish new benchmark standards, as well as promoting existing best practice. We are also very pleased to see the inclusion of station travel plans.

2.2. The various different rail operators have adopted widely varying policies on cycle facilities and carriage, creating confusion for those making irregular or longer-distance journeys. Changes to rolling stock have failed to maintain an equivalent standard of cycle carriage to that previously available, contrary to the Cycling Policy originally drawn up by the Strategic Rail Authority and now adopted by the Department for Transport (DfT).1

2.3. Current franchise agreements with Train Operating Companies (TOCs) appear to be forcing the hand of the Department for Transport, who are unwilling or unable to create a policy framework which would alter the TOCs contractual commitments.

2.4. The White Paper maintains the existing policy line stating that TOCs should make decisions on whether to enforce cycle carriage bans, but fails to suggest minimum standards on all new rolling stock and rolling stock refurbishment. We believe that flexibility of seating and storage space in rolling stock can always accommodate the needs of a variety of passengers, including people with disabilities, parents with prams and cyclists.

2.5. The White Paper’s promises on station travel plans and cycle-rail integration will require greater involvement of Network Rail (NR) in the process. Presently the relationship between NR (as owner and lessee of stations) and TOCs has led to very poor conditions of parking and cycle access at both leased regional stations and the NR controlled central London termini.

3. ROLE OF THE CYCLE-RAIL TASK FORCE (CRTF)

3.1. We believe that the CRTF should be engaged to supervise and contribute to franchise negotiations. Currently franchise specifications on cycling lack detail and ambition. The standard paragraphs in each suggest merely require that conditions for cycle carriage do not deteriorate (see Appendix 1).

3.2. The CRTF should have the authority to liaise across coterminous operators to harmonise cycle carriage policies. This should prevent cyclists making interconnections being obliged to make cycle reservations on some services, finding themselves unable to use others or unable to complete their journey because replacement bus services refuse to carry cycles.

3.3. A budget for the CRTF could be used to incentivise TOCs and Network Rail to follow the best practice. The Department for Transport’s investment in cycle parking at stations project was able to achieve considerable economies of scale that are not available to individual TOCs. Such a project could become part of the role of the CRTF.

3.4. Proposed rolling stock refurbishments or new orders for rolling stock (such as the imminent Invitation to Tender for the Intercity Express Programme) must be examined in detail by the CRTF to ensure that space for cyclists are designed to mitigate the problems which high-speed operators claim to experience.

3.5. The CRTF must create a package of best practice which informs the standards set in future franchise and rolling stock specifications, covering the topics outlined in the following paragraphs.

4. CYCLE CARRIAGE

4.1. Conditions for cycle carriage have deteriorated over the last few years. This has occurred in the context of increasing legislation to ensure access for people with disabilities. The changes which have taken place to rolling stock to accommodate disability legislation have failed, in most cases, to provide flexibility for other uses, such as cycle storage.

4.2. Each of the TOCs running a commuter service into central London operate some level of peak-hour restriction, except for Gatwick Express, on which cycles are carried at any time. On Stansted Express, by contrast, cycles are permanently banned. Whereas a ban on wheelchair use at peak-hours is inconceivable, peak-hour bans on cycling have become ubiquitous.

4.3. We have considerable evidence of the use by people with disabilities of cycles, especially tandems and tricycles, as mobility aids. Both these items, scarcely larger than a wheelchair, are almost universally banned by TOCs.

4.4. The White Paper fails to offer a solution to this situation. Instead of introducing minimum standards for carriage of full-size cycles, it maintains the status quo by which folding cycles can be carried at all times on all services but train operators are allowed to impose arbitrary rules (often un-enforced by rail staff).

4.5. While some franchises have agreed vague commitments to improve conditions for cyclists, other franchises use a standard five paragraph policy (see Appendix 1 below), of which the first four merely require the provision of “reasonable” facilities or conditions for cyclists, whilst the fifth paragraph exempts the TOC from the provisions of the previous four if the spaces for cyclists are taken up by disabled or wheelchair users. Nonetheless the fifth paragraph contains the seeds of a reasonable way forward—wheelchair spaces could equally be made available for cycle use on the understanding that cyclists be obliged to vacate these spaces if wheelchair-users require them.

4.6. We believe that the option to make cycle reservations needs to be available on all long distance services, but should not be compulsory. This approach would assure passengers with reserved seats or berths that they can take a cycle with them, while at the same time providing the flexibility for passengers to turn up and board a train with a cycle if no reservations have been made. In practice this is often possible already on services where the train manager is agreeable.

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2 Department for Transport, Cycle Parking Project 2006, details downloadable from www.dft.gov.uk/pgr/sustainable/cycling/dftcycleparkingprojecttoexte1782

3 AtoB Magazine records current restrictions across public transport operators in the UK: www.atob.org.uk/Bike_Rail.html
5. CYCLE ACCESSIBILITY AND STATIONS

5.1. We very much support the idea of producing station travel plans and welcome the inclusion of cycling groups as stakeholders in this process.

5.2. Travel plans offer an opportunity to resolve issues regarding the above issues of cycle parking as well as access to stations and accessibility within stations. One low cost solution, for instance, is the provision of wheeling ramps on platform bridges. This is very common elsewhere in Europe, but barely exists in Britain.

5.3. Cycle access and egress from stations currently lies at around 1–2% of all rail journeys—similar to the share of all journeys.\(^4\) This is far below levels achieved in Holland, where around 30% of access and 10% of egress is achieved by cycle, helped by the fact that there are over a quarter of a million cycle parking spaces at Dutch stations.\(^5\)

5.4. Cycle hire schemes such as the Paris Vélib could be pioneered through major urban rail stations. Cycle hire schemes in Holland have managed to establish a strong customer base. We suggest that a priority for the CRTF should be to pioneer a flagship project of this kind, with the imminent inheritance of the Eurostar terminal at Waterloo providing an ideal opportunity to do so.

6. SECURITY AND CYCLE PARKING AT STATIONS

6.1. Cycle carriage on commuter services can be avoided through adequate provision of covered, secure cycle parking, as the White Paper acknowledges. While good practice on cycle parking exists in certain areas, many current rail franchises include a weak cycle parking specification.

6.2. In England and Wales, theft of or damage to pedal cycles at stations has increased by over 77% since 2000 whilst motor vehicle crime has correspondingly fallen.\(^6\) Cycle crime is particularly severe at stations in London and the South East. Stolen or damaged cycles present a major deterrent to cycling.

6.3. CCTV coverage can help to prevent cycle crime at stations, but more centrally located and visually overlooked cycle parking will also contribute. Provision of cycle lockers at commuter stations offers the potential to reduce crime.

6.4. The involvement of Transec, DfT’s transport security division, in layout of the major London termini and other stations operated by Network Rail has resulted in particularly poor conditions for cycle parking at these stations. Planned improvements to cycle parking at several stations have been continually delayed by neurotic concerns about their security implications. There are evidence-based methodologies for assessing and managing the risks from cycle parking and we recommend that Transec adopt this approach to resolve the issue.\(^7\)

7. CONSULTATION AND MONITORING

7.1. We believe that TOCs should follow the example of Northern Rail and Scotrail in setting up cycle forums to liaise with passengers and local users to resolve issues of cycle carriage and station access. Constructive dialogue can help identify not only problems but also feasible solutions.

7.2. Few TOCs monitor cycle use or demand on their services and therefore have little idea about how many of their passengers use cycles, or the value of the business generated. For instance, CTC has estimated that cyclists in York alone generate something around £2 million worth of annual business. However, better data would enable more reliable estimates to be made, and these in turn would help operators to quantify the benefits of cycling and how to best to maximise these.

7.3. DfT should take a lead in co-ordinating the collection and publication of data about use of rail services by cycle users (including disabled cycle users), with CRTF playing an advisory role in specifying information requirements. Northern Rail has already enlisted members of its Cycle Forum to help gather data on cycle parking at its stations, and CTC is more than happy to repeat the national station cycle parking survey we undertook for DfT in 2003, or indeed to assist with data collection in other ways.

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\(^4\) Department for Transport, *Delivering a Sustainable Railway*, 2007, p 104.

\(^5\) European Cyclists’ Federation, *Bicycle parking at the Dutch train stations*, 2006 (downloadable from www.ecf.com/files/2/12/16/060412_Bicycle_parking_at_the_Dutch_trainstations_1.pdf);


8. Recommendations

8.1. We suggest that the CRTF should be set up as soon as possible, with Cycling England provided with a budget to coordinate its work, allocated to supporting best practice. The aim over time should be to develop benchmarks of good practice which can inform future franchise specifications.

8.2. The new Intercity Express Programme offers an opportunity to introduce high quality cycle provision which will accommodate cyclists without causing interruption to services or reducing space for passengers.

8.3. Network Rail needs to be provided with an incentive to cater for cyclists at the stations they control and at those leased to TOCs.

8.4. The needs of disabled people who are not wheelchair users must be considered more when designing rolling stock and station layouts. People using cycles as mobility aids are nearly always excluded under current arrangements. Only a handful of train operating companies routinely accept tandems (used by partially sighted and blind cyclists) and tricycles are forbidden most others.


9.1. “The Franchisee shall, so far as is reasonably practical and subject to the availability of appropriate space on any rolling stock vehicles in the Train Fleet, ensure that reasonable facilities for the transport of bicycles on such rolling stock vehicles are made available (if any), to passengers using the Passenger Services.

9.2. “The Franchisee shall, so far as is reasonably practical and subject to the availability of appropriate space at Stations, ensure that reasonable facilities to enable the secure storage of bicycles at Stations are made available, at reasonable charges (if any), to passengers using the Passenger Services.

9.3. “The Franchisee shall not, except to the extent the Secretary of State otherwise agrees, cease to provide the level of facilities for the carriage and storage of bicycles on the rolling stock vehicles used in the provision of the Passenger Services as at the Start Date.

9.4. “Except to the extent that the Secretary of State otherwise agrees, having regard to, amongst other things, the likely use of such facilities (such agreement not to be unreasonably withheld), any new rolling stock vehicles which are procured directly or indirectly by the Franchisee shall include reasonable facilities for the carriage and storage of bicycles.

9.5. “Notwithstanding any of the above, the Franchisee shall not be in contravention of any of its obligations under this paragraph 7 if the reason for its failure to comply with any such obligation is the use by it on any particular occasion of some or all space otherwise available to cyclists and/or bicycles for the carriage and/or accommodation of wheelchairs and/or wheelchair users and/or those passengers travelling with such wheelchair users.”

October 2007

Memorandum from PD Ports Limited (RWP 06)

Background

PD Ports Limited (PDP) is the owner and major operator of the UK’s second largest port, Teesport in the North East of England.

Teesport port handles freight only (ie, no passenger movements), but has a throughput of ca 54 million tonnes of cargo and has approximately 6,000 ship movements per annum. PD Ports has land holdings of over 2,000 acres. This land includes areas adjacent to the River Tees and nearby coast line much of which is recovered or brownfield land with significant prior industrial use. 14 freight trains per day enter/leave Teesport carrying steel, potash and intermodal containers.

As the competent harbour authority PD Ports also has considerable responsibility with regard to both the marine and coastline environment around the port and river Tees.

PD Ports has other UK ports and UK logistics related business interests in and around the Humber estuary, in Yorkshire & Lincolnshire, at Felixstowe and Cowes, on the Isle of Wight.

PD Ports is owned 100% by Babcock and Brown Infrastructure, an Australian based and ASX quoted company that has significant other port business holdings in Australia and Europe in Spain, Belgium and Italy.

PD Ports is pleased to have the opportunity to input to the Committees review of an integrated plan for freight. The following points are made in direct response to the questions posed in the announcement of the committee’s review:

PD Ports’ views about the Government’s proposed 30-year strategy for railways:
— We welcome the recognition in the Rail White Paper of the vital role that the railways play in delivering freight to and from the UK’s major ports, and the fact that this contribution is likely to rise as retailers increasingly seek to transport goods by rail.

— As a major port in the North East, our priority concern is the upgrade of the East Coast Mainline. The Committee may be aware that the West Coast Mainline has already been upgraded to W10 gauge, paid for by public expenditure. We therefore welcome the £200m earmarked for upgrading the Strategic Freight Network, but believe it only right that a specific commitment is also made to upgrading the East Coast Mainline, both for overall freight capacity and gauge enhancement to W10 or better gauge.

— This would not only help us derive maximum benefit from our planned expansion at Teesport, which we hope to begin work on in 2008, but it would also deliver significant benefits to other industries from Scotland all the way through to the South East, and help create a cohesive long distance link beyond the UK and into Europe.

— In addition, because investment in the railways is not only expensive, but takes considerable time. It would be worth considering how the Government could better subsidise the use of a wagon-based solution (pocket/well or any other low-profile wagon solutions) as a short term alternative to gauge enhancement.

October 2007

Memorandum from County Surveyors Society (CSS) (RWP 07)

1. County Surveyors Society (CSS) represents the Directors for Strategic Planning, Transport, Waste and Economic Development of Upper Tier Local Authorities. CSS welcomes the opportunity to respond to the Transport Committee’s enquiry into the Government White Paper on rail. This response follows the structure of the White Paper, and offers comments on issues of particular prominence from the CSS perspective.

Overview

2. Local Transport Authorities have a responsibility for securing sustainable transport networks to support the social, economic and environmental wellbeing of the communities in their areas. For many authorities, rail transport is an important element of overall transport provision. CSS therefore welcomes the fact that Government has set out a strategy for the future. This follows a period of considerable transition in the rail industry, through privatisation, the failure of Railtrack and the creation and abolition of the Strategic Rail Authority. Throughout this period the rail industry has, to a large extent, been internally focused, and has been reluctant to play a full role in broader consideration of rail’s potential for tackling national and local transport problems.

3. The White Paper acknowledges that for the past few years the emphasis within the rail industry has been on safety, reliability and controlling costs. CSS welcomes the recognition by Government, for example in para 1.26 that there are further goals which the rail industry must address:

— Increasing capacity.
— Improving quality of service.
— Reducing its carbon footprint.

4. Despite this welcome acknowledgement of a broader remit, the White Paper is disappointing in its firm concentration on specifically rail issues, without an acknowledgement of how rail fits into the broader economic, spatial planning and transport picture. For example, the references to increasing capacity and easing crowding are very much seen as a response to existing rail industry problems, without giving an indication of the intention to support the functioning of some of our cities and towns by diverting travellers from congested Highway Networks to use of local rail services. There is no explicit indication within the White Paper of the degree to which rail will fulfil this objective, and we are therefore left waiting for a more coherent picture in the Government’s response to the Eddington study.

Safety and Security

5. There can be no question that the provision of safe and reliable services is a fundamental requirement of the railway. One important area of risk is the interface between railways and the highway network at level crossings. Local Highway Authorities are ready to work with the rail industry, and Network Rail in particular, to take coordinated action through road-rail partnerships as envisaged in para. 2.22. However, the scope for making significant progress in reducing level crossing risk is hampered by the high cost and long lead time for delivering safer level crossings—for example, through replacing un-barri ered or half barrier crossings with full barrier systems.
RELIABILITY

6. CSS supports the proposal for the Secretary of State to specify an overall improvement in reliability from 88% to 92.6% by 2014. Following the replacement or refurbishment of much of the national rolling stock fleet over the past decade, performance against reliability targets should be improving year on year.

7. CSS supports the view that reliability of end to end journey time can be more important for passengers than the simple matter of journey speed, and hence reliability encompasses not just the timeliness of the train itself but also other factors such as the ability to find a parking space and purchase a ticket at stations.

THE CAPACITY CHALLENGE

8. The recognition by Government, that demands for transport in general, and rail transport in particular, are growing, is welcome. Local authorities are not surprised at this, which reflects growing prosperity and propensity to travel. However, it must be questioned whether the Government predictions embodied in the White Paper adequately reflect the growth in travel demand which might reasonably be expected.

9. It is surprising that Chapter 4 of the White Paper makes no mention of the predictive work which has already been conducted as part the regional Rail Planning Assessments (RPA). The South West RPA, for example, reports that the number of rail passenger journeys in the region increased by 42% between 1995 and 2003, yet the White Paper plans for only 30% growth over a 10 year period.

10. The White Paper, in para. 4.9, outlines a number of generic responses to anticipated growth, without indicating that specific measures to address such growth patterns in some areas have already been identified within the RPA. It is understood that the predictions of growth which underpin the White Paper have been produced using the Passenger Demand Forecasting Handbook, and are thus “policy neutral”. This totally fails to recognise the emphasis of Regional Spatial Strategies which encourage housing growth and economic development at significant cities and towns on the rail network, without commensurate increases in highway capacity, therefore placing an expectation of significant growth in demand for rail services.

LOAD FACTORS AND OVERCROWDING

11. CSS notes with interest the commentary on load factors in paragraphs 4.17 to 4.20, and is surprised by the assertion that a carriage providing capacity for 120 seated passengers would be considered to have a load factor of 60% if it was actually carrying 120 passengers. Fundamentally, rail is a mode where journey times would be expected to be more than 20 minutes, and by the criteria set in para. 4.17, this would suggest that 120 passengers in 120 seat carriage would give a load factor of 100%.

12. Furthermore, many commuting journeys are made on inter-urban trains which are not designed for significant numbers of standing passengers. It is sometimes the case that train operated companies refuse to allow more passengers to board, when crowding is only exceeding 100% seat occupancy by a relatively small percentage. Paragraph 4.19 would give the impression that the “turn up and go” rail service is universally available but this is not the case, with passengers being refused entry to trains on occasions on different parts of the network. In the South West, for example, this can occur on some cross-country journeys, and on peak weekend branch line services. The concept of service reliability is totally destroyed when passengers are told that they cannot board a full train, and that the next service will run in two hours time, or that substitute road coaches will be provided in order to accommodate the overflow of passengers remaining once the train is full and ready to depart.

13. One important contributory factor to the crowding experienced on some inter-urban trains is the scale of luggage carried by passengers, and it is perhaps surprising that the White Paper does not make any mention of this.

SERVICES FOR URBAN AREAS

14. Rail undoubtedly has a significant role to play in the transport networks of major cities. However, it is disappointing that the analysis of urban issues in the White Paper fails to acknowledge that rail is also important for commuting, education and other travel to many other urban settlements, beyond a small number referred to in section 5 of the White Paper.

15. It is the view of CSS that this section of the White Paper concentrates unduly on the congestion problems of London, with passing reference to Birmingham, Leeds and Manchester, and fails to grapple with the broader issue of enabling rail to maximise its contribution towards sustainable transport for urban settlements across England.

16. Whilst it is encouraging to see that some 1,200 of the 1,300 additional carriages will be deployed on urban services, it is disappointing to see in paragraph 5.34 that there is no clear commitment, during the period of this White Paper, to replace the Sprinter and Pacer trains which operate on commuting services. It is probably true to say that the Pacer trains offer the least satisfactory comfort and passenger environment of any rolling stock currently used on the rail network.
17. It is encouraging to read in paragraphs 5.36 to 5.40 that Government will look to work more closely with local authorities in determining the pattern of rail services, and CSS would note that this should not just relate to PTE areas but also to other local transport authorities. This is in welcome contrast to the recent experience, where the Department for Transport have required reductions in service levels at franchise renewal, despite strong representations from Local Transport Authorities.

**INTER-Urban Services**

18. The recognition of the need for capacity increases on inter-urban services is welcome; this is likely to be a matter of growing importance, as congestion increases on the motorway and trunk road network. If rail is able to deliver, as the White Paper suggests, improved service reliability and adequate capacity then it is likely that the forecast of a growth of all day passenger demand of around 2.5% per year will be a significant under-estimate.

19. CSS agrees with the conclusion that given the limited geographical distances between settlements in the United Kingdom, the maximum journey speed is not necessarily the most important factor, whereas journey time reliability is a key consideration.

20. The availability of the transport network on all seven days of the week is also of growing importance, as changing social trends have led to an increase in both the volume of trip making and journey lengths on both Saturday and Sunday. The responsibility of Network Rail to provide a seven-day railway must be strongly emphasised. This issue also relates to maintenance blockades, which can involve week long closures (or longer) on a regular basis. It is just not acceptable for regular passengers when routes become a “48 week per year” railway.

21. Section 6.22 lists possible “highlights” in capacity increases, but notes that they will be made before, during and after CP4. This gives little confidence that capacity growth will move forward in line with increasing demand. For example:

- On the Great Western main line, remodelling at Reading and Paddington could increase line capacity into Paddington, but it is by no means clear that rolling stock capacity will be enhanced to meet even the demand predictions in the South West Regional Planning Assessment.
- On the West Coast Main Line, additional peak capacity is available, from route modernisation, but it is by no means clear that the lengthening of the Pendolino trains will be achieved.
- On the Cross-Country network the Arriva franchise bid is giving an increase in capacity of 35% on the busiest parts of the network. However, statistics of growth patterns since 2000 indicate that additional capacity will be needed more broadly than just the central parts of the route, while 35% growth looks inadequate when set against a doubling from 12 million passengers per year carried on Cross Country in 1996 to 24 million in 2006.

**Regional and Rural Services**

22. The clear statement that Government will not close any regional or rural routes in the period covered by the High Level Output Statement is welcomed. However, it is disappointing to note that Government does not envisage any line re-openings, and this contrasts with the pattern under the devolved administrations of Wales and Scotland where a number of line reinstatements are underway.

23. Government’s restatement of commitment to the community rail strategy is welcomed but is it not clear that there is sufficient impetus to deliver measurable cost reductions on community rail routes through changes to engineering and operational standards. The adoption of a risk based approach is supported, but to date it has not been easy to see an effective response in this regard from Network Rail.

24. Whilst in paragraph 7.20 the White Paper suggests Government recognition that some regional and rural routes need investment in rolling stock to accommodate passenger growth, the following statement that the HLOS will make provision for just 30 additional vehicles suggests that there is little force behind this commitment. The following statement, that Government does not envisage replacement of the Sprinter and Pacer fleet starting until the latter half of the next decade, means that local and rural train services will be condemned to continuing with inadequate capacity and out-dated rolling stock.

**Rail Freight**

25. Whilst recognising that the share of freight captured by rail is a function of market economics, it is surprising that the White Paper suggests that long term demand is not forecastable. Overall, the provision for freight within the White Paper suggests a cautious approach, and CSS would suggest that there may be a case for investing at a higher level than the £200 million of Network Rail investment for developing the Strategic Freight Network up to 2014. With this enhancement, and the Productivity TIF schemes being considered, there would still be a relatively limited strategic freight network. It is by no means clear that the enhancements proposed fully respond to the aspirations of, for example Port Authorities, whilst it should also be noted that the modal share of container traffic from the most significant ports such as Felixstowe and Southampton would still be relatively small.
DELIVERING FOR PASSENGERS

26. Since privatisation, railway fares structures have become more complex, and there has been a growing divergence between regulated fares and those which are not regulated. CSS shares the concerns expressed in the White Paper about the consequences for passengers, who are often confused and lack confidence that they are being treated fairly. The principle, that fare structures should be simplified, is therefore supported.

27. In addition, CSS would wish to see a mechanism for avoiding excessive pricing of unregulated fares, perhaps by the specification of a maximum ratio between premium fares and the regulated standard fares.

28. The issue of ticket-less travel is also a matter of significant concern both to fare paying passengers and to local authorities. The ability for some passengers to travel without paying both undermines the balance of transport strategies and also under-records the use which is being made of the rail network. CSS would therefore support measures to ensure that all passengers pay for the journeys which they make.

STATION STANDARDS

29. The issue of station standards is a matter of significant concern both to the travelling public, and to local authorities. Across the network standards are very variable, and it is clear that over many years the emphasis of the rail industry has been to invest in the largest stations which have the greatest passenger throughputs, while many less used stations on the network experience varying degrees of neglect.

30. Local Transport Authorities recognise their responsibility, within their local transport plans, for trying to support transport integration and to ensure accessibility for those whose mobility is impaired. Many local transport authorities are keen to work with the rail industry to improve the passenger experience, from the highway network to boarding a train, but have been frustrated to varying degrees by a lack of willingness of the rail industry to work with local authorities, by the high cost of achieving relatively simple enhancements at railway stations and the long lead times.

31. The suggestion, in paragraph 10.65, that lightly-used rural stations are generally fit for purpose is strongly refuted. Indeed, a recently completed audit of all the stations in Devon and Plymouth, commissioned jointly by the local authorities and rail industry, has identified deficiencies at all 43 stations surveyed. Such an audit measures the situation at the individual station against a benchmark covering items such as parking, shelter, information systems and the ability (or otherwise) of passengers to get from the platform onto the train, which at some stations is hampered by excessive step height.

32. The potential benefit of a station travel plan is welcomed, as a possible means of moving forward from a station audit to develop a shared view between authorities and the rail industry of the best ways of meeting current and future passenger demand at a station, and developing an agreed action plan for implementing improvements.

IMPROVING ENVIRONMENTAL PERFORMANCE

33. Rail has strong credentials for being a sustainable travel mode. It is recognised that transport is responsible for an increasing proportion of the nation’s carbon footprint. Given the potential for generation of electricity from renewable sources, it is disappointing that the White Paper does not give any direction on further electrification, especially when comparison is made between the carbon performance of electric and diesel powered trains.

October 2007

Memorandum from the West of England Partnership (RWP 08)

SUMMARY

— Welcome the increased investment in the national rail network.
— Concerned that insufficient investment planned for the West of England area.
— Bristol Temple Meads and Bath Spa require urgent resignalling.
— More detail on stations and carriages required.
— Bring forward Great Western main line modernisation.

1.1 The West of England Partnership Office on behalf of the four councils of Bath and North East Somerset, Bristol City, North Somerset and South Gloucestershire submits this evidence to the Transport Committee.
1.2 The West of England area with a population of over 1 million outperforms Manchester and Birmingham and is second only to London in economic output. It is the main focus for shopping, cultural activities, education and tourism in the South West. With over £3 billion of potential development sites available and 92,500 new homes expected by 2026 transport investment and particularly rail is vital for the area’s continued economic and social success.

Benefits

1.3 We welcome the White Paper for:

- £10 billion investment in rail 2009–2014
- Improving reliability and safety, reducing delays and minimising environmental impact
- More trains and more capacity—1,300 extra train carriages and lengthened platforms
- Inter City Express replacement for the High Speed Trains in 2015
- 150 stations modernised
- Major improvements at Reading and Birmingham New Street
- No rural line closures
- Simpler fares structure and easier ticket buying

Funding

1.4 The White Paper allocates £7b for infrastructure, as set out below, with £1.2b for additional rolling stock.

<table>
<thead>
<tr>
<th>Project</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thameslink Programme (London)</td>
<td>£5.5 billion</td>
</tr>
<tr>
<td>Reading and Birmingham New Street</td>
<td>£0.6 billion</td>
</tr>
<tr>
<td>Modernise 150 Stations</td>
<td>£0.15 billion</td>
</tr>
<tr>
<td>Strategic Freight Network</td>
<td>£0.2 billion</td>
</tr>
<tr>
<td>Remainder</td>
<td>£0.55 billion</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£7 billion</strong></td>
</tr>
</tbody>
</table>

1.5 Relieving the bottleneck at Reading has knock on benefits for services to Bristol and beyond as the gateway to the South West. It does not reduce the need for investment elsewhere on the network. Once the costs of Thameslink, Reading and Birmingham New Street are stripped out the level of investment in the rest of the network is modest.

1.6 We are concerned that this leaves insufficient investment for the rest of the country and in particular the West of England area. Major resignalling schemes for Bristol Temple Meads and the approaches to Bath Spa will deliver greater capacity, enable additional services and improve the reliability of the rail network. It is disappointing that the national, regional and sub regional importance of these schemes are not recognised in the White Paper.

1.7 Overall Government funding for the railways, including franchise support, is £15 billion. Much press attention has focused on passengers paying for this investment through higher fares. The White Paper retains the current fares structure and leaves 60% of fares unregulated. We ask the Transport Committee to consider the need for reassurance from the Government that passengers will not be left footing the bill for investment.

1.8 We also highlight the need for the Department for Transport’s active engagement in supporting local rail through additional rolling stock and infrastructure. This role should be recognised in the White Paper. A good example in the West of England where Department for Transport involvement would be beneficial is the improvements needed and being promoted and funded by the councils on the Severn Beach railway line.

Extra Carriages

1.9 Of the additional 1,300 carriages, 1,200 will be provided for urban services. No figures are provided for carriages allocated to the West of England area for either urban or inter urban services. The White Paper does state 300 carriages will go to Birmingham, Cardiff, Leeds and Manchester to address growth. It is more than surprising that the West of England with a population of 1 million was not included amongst these cities. This should be addressed. Presumably the bulk of the remaining 1,000 carriages are going to London and the South East. A mere 30 carriages will go to regional railways. The mechanism for getting the train operating companies to take up these extra 1,300 carriages is unclear.
1.10 Given the growth in rail travel in the West of England area, up 30% from 2001 to 2006, we draw the Transport Committee’s attention to our doubts as to whether sufficient provision for future growth is being made in these extra carriages. We are also mindful of the problems caused by First Great Western’s December 2006 timetable when a shortage of rolling stock led to cancelled and short formed trains and passengers left behind on platforms.

**Modernise Stations**

1.11 Disappointingly no details are provided of the 150 stations to be modernised although clearly there must be a list somewhere to have got to 150 in the first place. The White Paper’s Executive Summary states investment will focus on medium sized stations that are run down or lack basic facilities. This is less clear in the main text. We would also like the remit to be extended to reopening stations. Network Rail will be producing a stations delivery plan by October 2007. More detail is required.

**No Line Closures or Reopening**

1.12 The statement that no lines will be closed is encouraging. The flip side to this is the Government does not expect to see proposals to develop or open new lines. Confusingly the White Paper goes onto state in the next sentence that individual proposals will be subject to consideration on their merits. Greater clarity is required here. This will be particularly important for areas likely to experience significant housing and economic growth.

**Freight**

1.13 The White Paper proposes spending £200 million to develop a Strategic Freight Network. This will provide an enhanced network capable of accommodating more and longer freight trains. Whilst Bristol Port should benefit, Bristol is not listed amongst the freight hotspots in Table 9.2. It should be.

**Beyond 2014**

1.14 The Great Western main line merits a mention in the White Paper as needing modernisation or enhancement after 2014. Through the Regional Spatial Strategy the West of England area will see 92,500 additional homes to 2026. To deliver this growth, investment in the Great Western main line needs to be brought forward. Reference to the resignalling of Bristol Temple Meads and Bath Spa has already been made.

**Summary**

1.15 The extra investment in the rail network is of course to be welcomed. Until we see the detail the benefits for the West of England area are difficult to gauge. Our concern is that the vast majority of this investment will be in the South East. We would still expect to see some extra carriages, lengthened platforms and station modernisation. Nonetheless with 92,500 extra homes by 2026 and fast rising passenger numbers more and sooner investment is needed.

1.16 The four unitary councils in the West of England Partnership are committed to working together with the Government and other key stakeholders to address major transport and connectivity challenges in our sub region.

October 2007

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**Memorandum from South West Regional Assembly and South West Regional Development Agency (RWP 09)**

1. The Assembly and South West Regional Development Agency (South West RDA) are grateful for the opportunity to submit written evidence to the Rail Strategy Inquiry.

2. Both the Assembly and South West RDA broadly welcomed the publication in July of the Government’s White Paper on rail, together with the High Level Output Specification (HLOS). We were pleased to learn that the improvements at Reading Station, and other key stations, had been identified and a commitment made to funding them. These improvements will have a significant positive effect on South West connections and travel times, with consequent improvements to business productivity and competitiveness. Whilst this and some other notable commitments are welcome it is felt that the Strategy as it relates to the South West does not address the potential for higher levels of passenger growth in future years that could result from the region’s economic and spatial plans.
3. Throughout 2006 and 2007 the Assembly and the South West Regional Development Agency (SWRDA) worked with partners, particularly local authorities, to develop a “Rail Prospectus” for the region. The document identifies strategic objectives for the railway in the South West and has been developed in close partnership with the rail industry, particularly Network Rail, Train Operating Companies (TOCs), DfT Rail and organisations representing rail passengers.

4. The compilation of this document was felt necessary given that the region’s Transport Regional Funding Allocation (RFA) advice to Government does not cover rail schemes and therefore an opportunity was being missed to clearly articulate to Government and the rail industry what the key rail priorities are for the region.

5. The Rail Prospectus document sets out clear outcome priorities informed by the South West Regional Spatial and Economic Strategies (RSS and RES), and as such focuses on helping to facilitate the delivery of those key regional strategies. The key objectives / outcomes cover the following issues:
   
   (a) Improving connectivity to and between the main urban areas in the region.
   
   (b) Strengthening the position of the main urban areas to ensure they are able to accommodate and respond positively to existing and future levels of economic, housing and population growth identified in RSS/RES.
   
   (c) Improving public transport access to key ports and airports.
   
   (d) Supporting growth in key regional business sectors, particularly tourism.

6. The Regional Economic Strategy (2006–15) and the draft Regional Spatial Strategy (2006–26) have been developed and published with a robust evidence base underpinning them, including studies which identified that connectivity between the South West and, in particular, London and the South East was of paramount importance to the region in relation to improved productivity and competitiveness. This evidence and subsequent debates informed the Prospectus objectives.

7. It is important for the Government to understand that growth levels set out in the RES and RSS for the South West represent a continuation of existing, successful economic growth, continued migration into the region and demographic factors such as household size, an ageing population. As such these levels of growth are significantly above the national average in some areas, eg Bristol, Swindon, Exeter and Plymouth. These higher levels (particularly in relation to housing) have been increased further due to Government initiatives such as New Growth Points and the general drive to step up housing delivery rates. These higher levels are highly likely to be enshrined in the statutory Development Plan for the region when the RSS is approved by Ministers in 2008.

8. National models used to anticipate growth in demand for rail services, which fed into the White Paper and HLOS, must be adjusted to account for this above-average growth. Future plans for capacity improvements, including for the 2014–19 Network Rail Control Period, must reflect the inevitability of the higher passenger demand resulting from this growth. We suggest that Government introduces a mechanism to allow the projections to be adjusted to accommodate the higher relative growth in some areas.

9. An adjustment of this nature, and subsequent investment in rail infrastructure to support growth in the South West, will help ensure the region can better deliver growth within environmental limits, in line with the RES and RSS, and help deliver the UK’s Sustainable Development Strategy.

10. Concerns remain as to the extent to which Crossrail construction and operation will impact on the reliability of services to the South West. This issue is of critical importance to the South West if our connectivity objectives are to be realised.

11. In addition there is particular concern in the region about major fare increases on some routes together with shorter term operational issues and potential for failure by some TOCs to meet all standards set out in franchise agreements.

October 2007

Memorandum from the Transport Salaried Staffs’ Association (TSSA) (RWP 10)

1. INTRODUCTION

1.1 TSSA welcomes the opportunity to submit comments to the Transport Committee on this matter. Set out below are our views on various matters covered in the White Paper.

1.2 TSSA is an independent trade union with approximately 30,000 members throughout the United Kingdom and Republic of Ireland, most of whom work in the rail industry. We are recognised for collective bargaining purposes for various groups of staff by all the major companies in the rail industry.
2. GETTING THE BASICS RIGHT

2.1 Whilst welcoming the Government’s increased level of investment in the industry over the period in question TSSA considers the Government’s approach to the rail industry remains fundamentally flawed. This is because the White Paper does not seek to address the question of the ownership and accountability of the industry itself. In TSSA’s view privatisation of the railway industry has been a failure that has prevented it from maximising its contribution to the economy, the environment and society generally. Indeed the Government actually say in the opening section of the summary to Delivering a Sustainable Railway that “Too much of the past 10 years needed to be spent repairing the problems of a flawed privatisation . . .”. TSSA considers that the privatised system under which the railway industry operates remains fundamentally flawed and the Government is proposing to do nothing to address the problems that are causally linked to privatisation. By not seeking to address the basic problem of ownership and accountability, the mistakes of the past decade or so are inevitably going to be repeated.

2.2 TSSA policy is synonymous with that of the Labour Party for the railways to be returned to public ownership. We would like to use this opportunity to remind the Committee and the Government of this. TSSA policy has continued to strongly support public ownership of the rail industry.

2.3 Before the last General Election, against vehement opposition of the Labour Party leadership, TSSA was successful at the Labour Party Conference in getting public ownership of the railways adopted as Labour Party policy. In spite of this, it was not included in the Labour Party Manifesto for the 2005 General Election. It is clear from the White Paper that public ownership is not on the Government’s agenda and it is highly unlikely to be responsive to TSSA’s aspirations. However, it is imperative that this issue is kept on the agenda. The Government should be more responsive to both Labour Party policy and public opinion both of which support public ownership.

2.4 Over recent years there has been massive growth in demand for rail services. TSSA considers that this has been achieved in spite of the structure of the industry not because of it. The industry continues to work against the public interest with the odds stacked substantially in favour of the small number of companies it is carved up between and against passengers. The Train Operating Companies (TOCs) take no real risks against the public interest with the odds stacked substantially in favour of the small number of companies. This is because the White Paper does not seek to address the question of the ownership and accountability of the industry itself. In TSSA’s view privatisation of the railway industry has been a failure that has prevented it from maximising its contribution to the economy, the environment and society generally. Indeed the Government actually say in the opening section of the summary to Delivering a Sustainable Railway that “Too much of the past 10 years needed to be spent repairing the problems of a flawed privatisation . . .”. TSSA considers that the privatised system under which the railway industry operates remains fundamentally flawed and the Government is proposing to do nothing to address the problems that are causally linked to privatisation. By not seeking to address the basic problem of ownership and accountability, the mistakes of the past decade or so are inevitably going to be repeated.

3. SAFETY AND SECURITY

3.1 TSSA welcomes the Government’s aim to reduce by at least 3% the risk of death or injury to passengers and employees for the period between 2009 and 2014. TSSA would like to make a contribution to this by working with other parties.

3.2 With regard to security (and in particular paragraph 2.26 of the document) TSSA believes that the Government asking franchise bidders to achieve Secure Stations Scheme accreditation covering 80% of passenger usage etc to be insufficiently ambitious and falls well short of the standards that the public deserve. We see no reason why this cannot be a strictly enforceable requirement of a franchise. Neither can we see any reason why the accreditation percentage should not be much higher. TSSA considers that station staffing levels and ticket office opening times have an important part to play in creating a much safer environment in and around railway stations that will result in even greater usage.

3.3 With regard to security on the rail network, including the continued threat of terrorist attacks, TSSA considers that the workforce has an important part to play. Past experience of trying to engage employers on these crucially important matters has proved to be very frustrating. We welcome the fact that after considerable pressure from the trade unions, the rail unions with the help of the DJT were eventually granted representation on the Transport Security & Contingencies Directorate (TRANSEC). In spite of this advance, we nonetheless feel that rail employers and particularly those represented by ATOC remain hostile to an industry wide forum covering security involving the trade unions. TSSA considers that the lack of an industry wide forum to discuss this important matter and develop policy works against the public interest of those who work in the industry and passengers generally. The approach in the rail industry is in stark contrast with that of Transport for London who readily acknowledge the importance of trade union involvement in tackling problems relating to security and the threat of terrorism and act accordingly. TSSA considers that the rail industry needs a forum covering security issues and if voluntary agreement cannot be reached, then statutory measures need to be introduced.
4. Enabling Growth

4.1 With regard to growth, TSSA welcomes the Government’s announcement to buy an additional 1,300 new carriages and various other measures to tackle congestion and provide additional capacity. However, we are extremely disappointed that the measures announced did not go much further eg a high speed rail link with Scotland. More consideration needs to be given to this because there are huge economic, social and environmental advantages to be gained. In welcoming the specific commitments made, we are unconvinced that they are sufficient to meet current demand and future growth.

4.2 With regard to the additional carriages, TSSA would urge the Government to ensure that these are procured from UK based suppliers and support what remains of the country’s manufacturing capacity in the same way that our European partners support their indigenous industries. Furthermore, it is not clear precisely on what basis these are going to be made available to the industry. TSSA considers that these should be seen as a public asset and publicly owned.

4.3 TSSA also welcomes the commitment that there will be no line closures over the period. However, we consider that the commitment should be extended to stations themselves and the opening times of booking office and the provision of other facilities required by passengers.

5. Improving Quality

5.1 TSSA welcomes the announcement to simplify the fares system, but we would urge the Government to ensure that this cannot be used or manipulated to the advantage of TOCs to increase revenues and company profits. The UK already has the highest level of rail fares in Europe. We would ask the Government to reconsider its overall approach to fares to ensure that all fares are fully and properly regulated and set at a level to optimise use of the system now and in the future. We are gravely concerned that the Government’s preferred approach will price people off the railways into their cars or into inactivity and isolation.

5.2 An opinion poll carried out by TSSA in July this year revealed four out of five voters believe the Government is wrong in pushing up rail fares by more than 30% over the next seven years. Rather than allowing annual increases of up to 3.4% above inflation, 80% of people would like to see fares subsidised to encourage more travellers to switch to rail. TSSA believes that the Government have given the go ahead for regular increases in unregulated fares until 2014 as part of their strategy to make passengers pay 75% toward the costs of running the railways rather than 50% as they do at present.

5.3 The ICM poll commissioned by TSSA also showed that higher fares will force more people into their cars or to use other forms of travel. Nearly one in six, 15%, said they would use trains less and 13% said they would use their cars instead. 10%, said they would use other forms of transport rather than pay higher rail fares. These figures clearly show that Ministers are on the wrong track when it comes to encouraging more people to use public transport. These annual increases will force more people off rail on to our already overcrowded roads. This will result in pricing passengers off rail, the reverse of what should be done. This makes no sense at all when Ministers are constantly talking about cutting carbon emissions to save the environment. This is not a transport policy but a policy for more gridlock. The UK should be subsidising a social railway like other European countries rather than paying subsidies to private TOCs. This is a classic case where there needs to be more joined up thinking right across Government.

5.4 TSSA welcomes the money earmarked for physical improvements to stations, including better access particularly for disabled people. We do not know if this funding is sufficient to fully address the problems caused by years of neglect and under-investment and would like to see the matter be kept under review and employees and communities involved in the improvement process. It is not clear to us how precisely these improvements are going to be achieved and the full extent to which private companies may profit. We would hope that there are sufficient safeguards in place to ensure that these initiatives do not simply become moneyspinning opportunities for private developers and TOCs. Ideally, revenues generated from commercial opportunities as part of these improvements should be ploughed back into the industry as part of an ongoing programme of improvement.

5.5 TSSA is concerned about the lack of openness in the franchise process and believes that there is a distinct lack of honesty on the part of franchise bidders with regard to financial and other matters, including those relating to quality issues. Indeed within the last month or so Stagecoach (that won the new 10-year South West Trains franchise, worth more than £530million in annual revenues, from February 2007) has come forward with proposals to close nine of its travel centres and replace them with commercial shops. This will mean a much worse service for passengers who have already been faced with hikes in off peak fares of more than 20% this year on routes where the company has a monopoly on services. Despite record dividends for Stagecoach owner Brian Souter, passengers will have to face longer queues at booking offices. TSSA does not believe that retail outlets are a high priority at our stations in instances where they are developed at the expense of existing travel centres and booking offices. What is required is more staff and booking office windows to ensure passengers get a first class service. These centres should be kept open. Most train operating companies either increase fares or cut services to increase profits. South West Trains is doing both. The stations where centres are to close are at Salisbury, Guildford, Bournemouth, Southampton, Weymouth, Winchester, Richmond, Poole and Woking. South West Trains is clearly putting profits before
passengers today by planning to close all but one of its travel centres. TSSA believes that Stagecoach must have planned this action well in advance. We do not know if these plans were made clear to the DfT during the franchise process and to what extent, if any, influenced the decision to award the new franchise to Stagecoach.

5.6 This is not the first occasion on which a franchisee has sought to work against the interest of passengers by cutting back on frontline booking office services. The Government appear to be totally disinterested in this matter and tend to be unduly biased in favour of the commercial interests of the TOCs. TSSA’s concerns have been conveyed to the DfT who responded “Essentially ticket office opening hours have always been a matter for train operators. The SRA had, and the department retains, powers to object to changes to opening hours but these apply only in cases where the operator concerned has failed to properly apply the criteria which are set out in the Ticketing & Settlement Agreement (TSA). There has never been any mechanism in the TSA by which either the SRA or the department have been entitled simply to overrule a decision to change opening hours which an operator made in accordance with the TSA’s requirements”. This in our view demonstrates a lamentable level of disinterest in this important matter by Government who should ensure that it acquires the powers to act more in the public interest, rather than just leave it to TOCs to do more or less what they want.

6. Delivering Rail’s Environmental Potential

6.1 TSSA strongly believes that rail has an enormous contribution to make in helping the Government meet its targets in terms of reduced levels of CO2 and other pollutants associated with the transportation of goods and people. We welcome the Government’s recognition of the contribution the shift to rail freight is delivering and that can be built upon.

6.2 More generally, however, as we have emphasised above the huge increases in passenger fares will almost certainly prove to be counterproductive and limit the extent to which rail will be able to contribute to meeting the Government’s environmental objectives.

6.3 TSSA would ask the Committee to consider the article by Jonathan Leake (Science Editor, The Sunday Times) that was published in The New Statesman on 13 August 2007. This illustrates how the New Approach to Appraisal (Nata) rules favour road and private car use over public transport and rail. The way in which transport development is assessed is extremely important and if the system is biased against rail, obviously this raises very serious questions about the process itself as well as decisions that transpire.

7. Stable Funding

7.1 Obviously the stability of funding should enable the industry to plan and prioritise investment. However, TSSA do not accept that franchising keeps industry costs down. Indeed, the main financial beneficiaries of rail privatisation have been those companies that have profiteered massively—the huge transport and engineering conglomerates and the likes of the financial institutions that own and lease rolling stock to the TOCs. Furthermore, we are of the view that much of the investment in the railways over recent years does not necessarily represent particularly good value for money and could have been delivered at a lower cost by the public sector.

7.2 The Government say that Network Rail are on course to deliver 31% efficiencies in just five years, with more to follow. To state the obvious, since replacing Railtrack, Network Rail has been run on a “not for profit” basis. This demonstrates that an organisation that is to all intents and purposes a private company whose only responsibility is to its shareholders to maximise profitability. TSSA strongly contends that TOCs could make similar improvements if their sole purpose was to provide the best service possible for the public good. The view in Government appears to be that the private sector is better able to deliver rail services than the public sector. The Government’s contentions that this is the case need to be strongly challenged. There appears to be no acceptance or understanding of a public service ethos.

7.3 Research commissioned by our sister union the RMT published recently (October 2007) indicates that the private companies in rail industry are profiteering to the tune of some £1.3 billion in unpaid tax and are using a deferred-tax loophole intended to encourage investment to fund massive increases in dividends to shareholders. The research carried out by chartered accountant and economist Richard Murphy of Tax Research shows that nearly half of the £1.5 billion in dividends paid out in the last five years by nine private train operators and rolling-stock companies has been funded by unpaid tax. Almost £1.3 billion of deferred tax is owed by the six largest TOCs and the three rolling-stock leasing companies. However, this tax will most likely never be paid, and is effectively a hidden subsidy that dramatically increases profit levels. The report shows that the nine companies’ declared profits almost doubled from £435 million in 2002 to £810 million in 2006, but their declared tax charges remained almost constant at about £190 million a year throughout the period. The declared percentage rate fell from 43% in 2002 to 24% in 2006. These companies would not be able to use these loopholes to such an extent if they did not benefit massively from major Government contracts—the franchises and the associated leasing agreements.
7.4 Unfortunately, the franchising system will continue to play a big part in the levels of funding. TSSA believes that it is little more than a lottery. When GNER lost its contract for failing to pay the Government £1.3 billion while coincidentally in the same week Virgin Trains were given £1.3 billion of taxpayers cash to run the West Coast line. There is no way this system makes any sense with the taxpayers paying hand over fist to private companies and effectively taking all of the risk. At that time TSSA argued that the franchise should have been handed over to Network Rail to run it for the benefit of the passenger. The then Secretary of State for Transport, Douglas Alexander, claimed that the agreement reached to run GNER protected the interests of taxpayers and passengers. However, there were no assurances that the tendering process that had clearly failed so abysmally would deliver in the future. The DfT also claimed to have set realistic revenue targets for GNER, which if exceeded would result in them receiving a taxpayers bonus. The real nonsense of the Government’s rail policy is that Sea Containers who lost the franchise because they could not meet their contractual obligations, would still have been allowed to re-tender for this or any other franchise.

8. Beyond 2014

8.1 It is extremely difficult to comment in any detail on matters relating to the years beyond 2014. TSSA broadly accepts much of what the Government says with regard to the difficulties in predicting developments over the longer term. However, it is vital that the industry keeps pace with technological, social and economic change. It is essential that rail is able to play its part in ensuring that all the English regions and Scotland and Wales are able to share in a more equitable distribution of economic and the improved standards of living, social cohesion and quality of life together with a cleaner environment.

8.2 Recent reports that the environmental damage already done to the planet is worse and at a far more advanced stage than was previously thought means that the Government’s long term thinking in this area probably needs to be brought forward considerably. The contribution that rail is able to make will almost certainly become more important and this needs to be factored into the Government’s thinking at an early stage.

9. Conclusion

9.1 TSSA broadly welcomes many of the Government’s proposals including the 1,300 extra carriages and the go-ahead for the Thameslink scheme in London and the rebuilding of Birmingham New Street and Reading stations, as well as a strategic freight network. We are, however, critical of other aspects of the document particularly the massive fare increases that will result and the failure to make any commitment to high-speed rail lines, electrification and new/reopened lines/stations to serve housing growth areas. These shortcomings, together with the absence to address the underlying problems of ownership and fragmentation of the industry mean that yet another opportunity has been missed to allow rail to fulfil its full potential.

October 2007

Memorandum from Eurostar (RWP 11)

Eurostar welcomes the recent publication of the Government’s White Paper and is pleased to contribute to this inquiry by the Transport Committee.

BACKGROUND

1. Eurostar is the high-speed passenger service linking London, Ashford, Paris, Brussels, Lille, Calais, Disneyland Resort Paris, Avignon and the French Alps. Eurostar has been operating since 14 November 1994 and has carried over 75 million passengers in this time.

2. Eurostar is currently preparing for its move from Waterloo International to St Pancras International on 14 November 2007. This will be an overnight move to minimise disruption for our travellers and we will offer a full timetable of services to and from Waterloo International right up until the evening of Tuesday 13 November. St Pancras International is significantly better connected to more of Britain and on the same date, Eurostar and seven UK Train Operating Companies (TOCs) will jointly introduce through fares from some 70 British towns and cities to a wide range of destinations across France and Belgium.

The combined TOC/Eurostar journeys will

- compete with air services from regional airports on cost;
- often match them on door-to-door journey times (particularly from airports across the Midlands and Yorkshire);
- provide a more convenient centre-to-centre service;
- avoid the need for connecting journeys to and from out-of-town airports;
- far outstrip airline timetables on frequency; and
- generate far fewer carbon dioxide emissions (a Eurostar journey generates ten times less CO₂ than flying).
During 2008 Eurostar will introduce more through fares jointly with all TOCs that have routes serving London.

3. On 19 November 2007, Eurostar will also be opening a new station, Ebbsfleet International, near the Dartford Crossing and the Bluewater Shopping Centre, off junction 2 of the M25.

4. The move to a new station in central London, served by the UK’s first high-speed line, named High Speed 1, will cut journey times between London, Paris and Brussels by at least 20 minutes. Fastest travel times between the centres of London and Paris will come down to just 2 hours 15 minutes; London— Brussels to 1 hour 51 minutes; and London—Lille will be only 1 hour 20 minutes.

5. Eurostar punctuality in 2007 is currently running at 92%, substantially higher than the average of about 70% achieved by airlines operating over the same routes, and will increase even further with the completion of the high-speed line between the Channel Tunnel and London. The stunning, newly restored St Pancras International station will provide travellers with a much improved journey experience.

6. Eurostar is also working within the Railteam partnership of European high-speed train operators to make it easier and simpler to book and travel across Europe’s fast expanding, high-speed network. Railteam has set a target of doubling the number of international rail journeys by 2010.

7. As part of the need to reduce transport emissions in order to combat climate change, Eurostar believes that an expanding high-speed network would further increase the availability of rail as an important and environmentally far less damaging alternative to short-haul air for journeys between Britain and continental Europe, and particularly between England and the north-west of the continent.

The value of high-speed rail is already well demonstrated. Even before the completion of High Speed 1, Eurostar has secured two-thirds of the market between London, Paris and Brussels. It has seen a 30% growth in total passenger numbers since the first section of High Speed 1 opened in 2003, and an even more rapid 30% growth in business passengers since the beginning of 2006. Cost, convenience, productivity and, increasingly, environmental concerns are all key drivers for the business market.

8. Eurostar is responding to public concern, and believes that all businesses have a duty to reduce their environmental impact. In 2006, Eurostar commissioned independent research, conducted by Paul Watkiss Associates and AEA Technology, which found that on average a journey from London to Paris or Brussels on Eurostar generates at least ten times less CO2 than the equivalent journey by short-haul air from London’s airports.

9. On 17 April this year, Eurostar took action to become even greener, with the launch of its “Tread Lightly” initiative, committing Eurostar to cutting its CO2 emissions by a further 25% per traveller journey by 2012. The following measures illustrate some of the ways in which this will be achieved:

   — Installing energy meters on trains to help drivers drive as economically as possible.
   — Fitting new controls for train lighting, heating and air-conditioning to reduce power consumption.
   — Working with suppliers, particularly Eurotunnel and Network Rail, to source cleaner electricity supplies.
   — Making even better use of train capacity.
   — Designing energy efficiency into the mid-life re-engineering of the train fleet.

10. Eurostar also published a 10 point plan to lessen its environmental impact. The plan is based on three principles governing the use of materials and supplies: reduce usage wherever possible, source supplies responsibly and recycle what is used or produced.

11. As part of its Tread Lightly initiative, Eurostar has also ensured that from November 14th it will become the world’s first rail operator to offer “Carbon Neutral” journeys. Where CO2 can’t be reduced further, the remaining emissions will be offset—working with credible offsetting partners to achieve meaningful environmental benefit.
12. Eurostar was therefore surprised by statements in the White Paper that appear to question High Speed Rail’s relative green credentials:

“The argument that high-speed rail travel is a ‘green option’ does not stand up to close inspection on the basis of the present electricity generation mix. The Government estimates that carbon emissions per passenger for a journey between London and Edinburgh will be approximately 7 kg of carbon for conventional-speed rail, 14 kg for high-speed rail, and 26 kg for aviation. Passenger carbon emissions are likely to be similar between Glasgow and London.

“This significantly dilutes the carbon saving available, given the cost of infrastructure and the further carbon and wider environmental impacts of construction. It serves to raise serious questions about whether this is the most effective way to maximise environmental benefits from any available public investment.”

The White Paper includes data from a recent RSSB report *Traction Energy Metrics*, and appears to base its conclusions on this. This RSSB report contains serious inaccuracies in its analysis of High Speed passenger trains emissions, particularly in its references to Eurostar. We are in discussions with RSSB currently, to understand the assumptions behind their report’s analysis, and to agree a corrected set of assumptions.

There are two principal inaccuracies in the RSSB report, both of which affect the potential conclusions to be drawn:

(i) The report used a load factor of 30% in making the calculations to convert energy consumption per seat km, to consumption per passenger. Eurostar’s current average load factors are roundly 70% London to Paris and 50% London to Brussels producing an error of greater than times two on average. For reference, the Paul Watkiss study used a base figure of 66% Waterloo—Paris and 45% Waterloo—Brussels (2005 figures) and 67.6% Waterloo—Paris, 51% Waterloo Brussels for estimated 2007 figures.

(ii) The report is based on UK average emissions per kWhr of electricity. However, 75% of Eurostar train kilometrage is in France and Belgium. The mix of energy suppliers in these countries produces substantially lower emissions than the UK with its traditional although declining reliance on coal powered generation.

13. It would therefore appear the statements in the White Paper are based on analysis which produces an unrealistically pessimistic view of the environmental advantages of high speed rail over short haul air. Eurostar’s own analysis shows a London—Paris passenger journey in 2005 resulted in CO₂ emissions of 5.5kg (11gCO₂ per passenger km), compared to 61 kg per passenger journey (168gCO₂ per passenger km) for the airlines flying between London and Paris, ie a Eurostar journey between London and Paris produces at least ten times less CO₂ emissions than flying—this is before taking any account of radiative forcing in the airline emissions calculation.

14. The Eurostar analysis also highlights a sometimes unrecognised benefit of electric traction. Not only is electric traction for trains more environmentally friendly than diesel traction—as the RSSB report illustrates—but it also allows rail to use different forms of primary energy, and over time to switch to less carbon emitting sources of electricity. Eurotunnel, for instance, who are one of Eurostar’s infrastructure providers, recently announced plans to source a higher proportion of their electricity from lower carbon emitting French generators, as well as investing in their own wind generation capacity at Calais. Rail is unique among transport modes in being able to readily use non-carbon based energy sources. It is surprising this benefit was not acknowledged or followed up in the White Paper.

15. A further point to emphasise is that Eurostar trains, whilst being substantially more environmentally friendly than portrayed in the White Paper, should not be used as the benchmark for possible future UK High Speed train energy consumption and carbon emissions. Because of their unique design, in particular the need to meet Channel Tunnel entry criteria, and still operate within the UK loading guage. Eurostar train sets are less energy efficient than other High Speed trains of their generation. In addition current generation High Speed trains are more energy efficient still—for instance France’s TGV Duplex sets have significantly lower weight and energy consumption per seat km than older style TGVs of the same generation as Eurostar. It is surprising that the RSSB study, and White Paper, did not use a TGV Duplex as the “benchmark” train type for a possible future UK High Speed train.

16. As well as the significant environmental benefits of rail, there are also important economic benefits. Journeys made by train are more productive than their short-haul air equivalents, as business travellers can continue to work seamlessly for the duration of the journey. This productivity has been one of the factors behind the 30% growth in Eurostar’s traveller numbers since the opening of the first section of the UK high speed line in September 2007.

Eurostar rejects the White Paper’s evidence from the CBI and Passenger Focus that journey time is “not a priority” for passengers. The opening of the first section of High Speed 1 in September 2003, with a 20 minute journey time saving, has led to a 30% increase in passenger numbers. Eurostar expects a similar increase following the completion of the new line.

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In France, which has had a high-speed network for 25 years, cuts in journey times have had a dramatic impact on travel patterns. The high speed line between Paris and Lyons has increased rail’s market share from 40% to 90%. The introduction of high speed services between Paris and Brussels means there is now just one flight a day each way between the two cities. SNCF’s “rule of thumb” is that business travellers prefer rail over air for journeys up to four hours, while leisure travellers favour rail for journeys up to six hours. This is in contrast to the White Paper’s view in paragraph 8.14 that passengers will not use rail for journeys over three hours. Reducing journey times is a critical factor in persuading travellers to switch from plane to train.

17. Consumers and businesses in the UK are increasingly looking to the Government for leadership on climate change and the provision of practical solutions to encourage greener behaviour. Eurostar believes that high speed rail offers a very valid alternative to many domestic and short-haul international flights originating in the UK, and urges the Government to reconsider the need to commit to further investment in high-speed rail as an environmental and economic solution for many journeys.

Planning a UK High Speed Line Network

18. We welcome and endorse the conclusions of the White Paper that the best way of providing additional rail capacity in the long term is via new lines. But we are surprised the case for High Speed capacity has been dismissed so lightly. When building new, the incremental costs of building a line to High Speed standards are relatively low compared to the basic cost of land acquisition and civil engineering construction. No car manufacturer when producing a new model, would merely seek to replicate the model being replaced—but would seek to upgrade their product, incorporating new functionality and technology.

19. Likewise a new railway should seek to incorporate 21st century, not 20th century, capability and functionality—and for the rest of Europe this means high speed services. Likewise the “wait and see” approach to long term network and capability planning is in sharp contrast to the approach to long term rail network planning in other European countries, or indeed to the detailed, long term plan for UK airport capacity expansion in the Government’s own White Paper on The Future of Air Transport, published in 2003.

It would appear that the Government is prepared to set out and support a 30-year development plan for Britain’s airports, where the investment is likely to come from the private sector; but seems unwilling to do the same for rail network expansion, where public money may be required.

The risk of failing to plan ahead for a new high-speed line while supporting airport expansion is summed up in the Stern Review, which warns that “it is critical that governments consider how to avoid the risks of locking into a high-carbon infrastructure”; and further states that “the investments made in the next 10–20 years could lock in very high emissions for the next half-century, or present an opportunity to move the world onto a more sustainable path”.

In other words, a reluctance to consider a future high-speed line could by default lead to more capacity in a higher-carbon infrastructure which would then undermine the future economic case for a lower-carbon alternative.

20. In France the Transport Ministry, RFF and SNCF have a long-term plan for the development of their TGV network. Individual projects are only taken forward when funding and other circumstances permit, but there is a clear overall blueprint for development. One consequence is that each new line not only delivers improved accessibility in its own corridor, but also helps improve the economic performance of existing lines. The line between Paris and Lille for instance is now used by four separate high speed services: Eurostar, Thalys, TGV Nord and TGV Réseau. The latter links Belgium and the North of France with the rest of the French TGV network, other than Paris. A small number of TGV Réseau services already run from the north of France on to the new TGV Est route to Strasbourg—contributing to the economics of the existing high speed lines as well as TGV Est.

21. In the UK, were one or more new high speed lines built, they would also contribute positively to the economics of High Speed 1, assuming they provided connectivity into it. The White Paper’s “wait and see” approach to new lines, and apparent dismissal of high speed, will inevitably sub-optimise the economic performance of Britain’s first and so far only high speed line, High Speed 1.

If any of our evidence above is of particular interest to the Committee, we would be very happy to send further information or to provide oral evidence.

October 2007
Supplementary memorandum from Eurostar (RWP 11A)

REVISION OF RSSB REPORT ON CO₂ EMISSIONS FROM HIGH-SPEED RAIL

As I am sure you will recall, Eurostar is among the parties which recently gave verbal evidence to the Transport Select Committee’s inquiry into the recent Rail White Paper.

Further to my remarks to the Committee on 9 January, I am writing to draw your particular attention to an important revision of the Traction Energy Metrics report (T618), published by the Rail Safety & Standards Board (available at www.rssb.co.uk/pdf/reports/research/T618—traction-energy-metrics—final.pdf).

The revised report, published in January 2008, updates the original version that was used as a basis for what Eurostar believes were incorrect comparisons and conclusions about the environmental benefits of high-speed rail in the Delivering a Sustainable Railway White Paper, published in July 2007.

Eurostar believes that the data contained in the revised report could have materially altered the conclusions of the White Paper, which were sceptical over the environmental benefits of high-speed rail. Thus Eurostar is pleased that in the subsequent Towards a Sustainable Transport System White Paper, published in October 2007, the Government now appears to be taking a more positive view of high-speed rail’s potential to tackle long-term transport capacity problems, particularly in the Manchester-Birmingham-London corridor.

A key assumption in the RSSB’s original T618 report was the use of an average load factor for Eurostar of 30%. In addition, the report also assumed the use of an electricity supply for a service operating between Ashford and London, which does not reflect the actual mix of sources that Eurostar uses on the full routes on which it operates. The resulting calculations led to a comparison that is reproduced in Fig 11.1 on page 113 of the rail White Paper, which portrays Eurostar’s carbon dioxide emissions to be about 100g CO₂ per passenger km.

In fact, Eurostar’s average load factor in 2007 was more than 60%—twice as good as assumed. And taking into account the main routes that Eurostar actually operates between London and Paris/Brussels, Eurostar’s emissions work out at between 11g CO₂ and 35g CO₂ per passenger km (depending on the route and whether UK grid average emissions or supplier specific emissions for the UK are used). These emissions figures now appear in section 7.2 of the revised report.

Thus the comparison of Eurostar’s carbon emissions relative to other modes, contained in the White Paper, is exaggerated by a factor of between at best three and at worst nine. The White Paper also fails to acknowledge that Eurostar expects to reduce its CO₂ emissions by a further 25% per passenger journey by 2012.

The findings of the original T618 report further appear to be the basis for the conclusions in paragraphs 6.15 and 6.31 of the rail White Paper which state, inter alia, that “the argument that high-speed rail travel is a ‘green option’ does not stand up to a close inspection”.

The new version of T618 omits Eurostar from its revised CO₂ emissions comparison table (Figure 42, page 51), now that different assumptions have been applied. However, the comparison table in the White Paper (Fig 11.1) on the Department for Transport’s website remains unchanged, as do the conclusions about high-speed rail.

Eurostar is therefore pleased that the more recent transport White Paper does appear more open-minded about high-speed rail as an option that could deliver against the Government’s five policy goals including: providing more reliable journeys, tackling climate change and improving quality of life.

In considering the case for extending high-speed rail in the UK, it should further be noted that Eurostar trains are relatively inefficient at 0.055kWh/seat-km compared to other modern high-speed trains, such as the TGV-Reseau 2N at 0.04kWh/seat-km. The rail White Paper also fails to reflect the improvement in emissions performance that would be offered by a future generation of high-speed rolling stock in the UK.

Subsequent to the rail and transport White Papers, in a parliamentary statement on UK Energy Policy in January 2008, the Secretary of State for Business John Hutton MP said that “by 2050 our electricity will need to be largely low-carbon”.

Given this target and the switch to new nuclear and renewable power sources that will be necessary over the coming two decades as existing nuclear power plants are replaced, the rail White Paper’s conclusions on the “green” potential of high-speed rail seem greatly to underestimate its future potential to reduce the UK’s transport-related CO₂ emissions through the use of lower carbon electricity sources.

Europe’s high-speed rail network is expanding rapidly and the UK’s first high-speed line, High Speed 1, is already proving successful in attracting significant passenger growth. Serious capacity constraints will face Britain’s rail network over the next 10 to 15 years, and I am optimistic that government thinking is moving forward. Given high-speed rail’s potential significantly to aid competitiveness and productivity, reduce CO₂ emissions and enable modal switch, and improve quality of life, I feel it is important to bring the RSSB’s revised report and its material alterations to the Committee’s attention.

February 2008
Memorandum from The Guide Dogs for the Blind Association and the Joint Committee on Mobility of Blind and Partially Sighted People (RWP 12)

INTRODUCTION

1. The Guide Dogs for the Blind Association (Guide Dogs) and The Joint Committee on Mobility of Blind and Partially Sighted People (JCMBPS) welcome the opportunity to submit written evidence to the Transport Select Committee on the Government’s White Paper: Delivering Sustainable a Railway A 30-year Strategy for the Railways.

2. Guide Dogs is the UK’s largest single provider of mobility and other rehabilitation training for blind and partially sighted people. Each year, we help thousands of blind and partially sighted clients to negotiate public transport, either with a guide dog or long cane.

3. Our vision is for a world in which all people who are blind and partially sighted enjoy the same rights, opportunities and responsibilities as everyone else. We help blind and partially sighted people to achieve independence and mobility through the provision of guide dogs and rehabilitation services—yet this independence is limited by the environment in which they must live. We therefore campaign for equal access to transport and the built environment, shops and services, health and social care.

4. JCMBPS is an independent body consisting of representatives from the principle organisations of blind, deafblind and partially sighted people, with a specific interest in access and mobility.

5. The JCMBPS believes that blind and partially sighted people should be able to move around and use buildings, streets and transport facilities safely and independently. At the present time, this is not the case, as blind and partially sighted people experience enormous barriers to freedom of movement, seriously limiting their opportunities and choices.

GENERAL COMMENTS

6. Guide Dogs and JCMBPS welcome the Government’s White Paper which outlines its plans for growth and development of the UK’s rail network over the next 30 years. Our comments are based predominantly around section 10 of the White Paper Delivering for Passengers.

7. We welcome the inclusion of a statement at the start of the paper saying that it is available in accessible formats. However, this statement would be even more helpful if it was available in large print. We hope that the Select Committee will encourage the Department for Transport to make this regular practice and encourage the Department to make sure that documents advertised as being available in accessible formats are always promptly available in alternative formats something that we have not always found to be the case.

SAFETY AND SECURITY

8. Paragraphs 2.21 and 2.22 talk about level crossing safety including a partnership between Network Rail and the County Council addressing the issue. Level crossings are often on pedestrian routes and provide a major hazard for visually impaired people. We have drawn our concerns to the attention of the Rail Safety Standards Board and been promised a meeting on this but have been waiting for almost two years.

9. Figure 2.3 shows top eight priorities for the British Transport Police which include every other form of hate crime other than disability. This is disappointing as RNIB Travellers Tales Report (2002) highlighted a case of a Guide Dog owner being bullied for being blind and then having the fire extinguisher turned on her guide dog.

10. Paragraph 2.30 mentions terrorism. Disabled people are particularly vulnerable in the event of an attack and emergency plans need to consider their needs. Following the events of 7/7 the Metropolitan Police Authority worked with Metropolitan Police Disability Independent Advisory Group and Transport for London to put on a conference for disabled people and transport and security professionals to address the issues. The lessons learnt should be applied throughout the rail network.

FARE STRUCTURE

11. Accessible information for blind and partially sighted people about the rail fare structure can be difficult to access and is often complex for many people. Fares quoted on websites, by call centre staff and by staff at railway stations can often vary greatly, which can be confusing and frustrating for passengers. “Small print” outlining conditions of use for train tickets is usually exactly that, small print. The Disabled Persons Railcard has helped to make rail travel more affordable for disabled people on the national network but we believe that all train operators in the UK should accept the railcard, such as the Heathrow Express and Eurostar.

12. We also believe that concessionary fare schemes for disabled people in England, Scotland, Wales and Northern Ireland should be harmonised, or operate reciprocity so as to allow disabled passengers to travel, free of charge, on the UK public transport network including the rail network.
BUYING TICKETS

13. The number of automated ticket machines has dramatically increased at many stations across the rail network. Although we appreciate that this way of purchasing tickets can be more convenient to many passengers, this is not the case for blind and partially sighted people. The majority of such passengers would not be able to purchase tickets from these machines as they do not have an audible facility and the text is not of a sufficient size to read for those with partial vision. We would like to see the Department for Transport work in partnership with train operating companies and disability organisations to research ways of making automated ticket machines accessible to blind and partially sighted people.

14. The White Paper mentions the need to “embrace technology”. Although we agree that accessible technology has its place in purchasing tickets, we feel it is important to emphasise that this should not be considered a replacement for staff who are essential for many blind and partially sighted passengers if they are to be able to access the rail network.

PROVIDING FAST, ACCURATE AND HELPFUL INFORMATION

15. Planning a journey is a key element to rail travel for many disabled people, including blind and partially sighted people. Being able to access accurate and helpful information is vital and can make the difference between a relaxing journey and a distressing one.

16. An example that came to Guide Dogs’ attention was a visually impaired gentleman who wanted to arrange assistance at an unstaffed railway station. The gentleman telephoned the passenger assistance service for the particular train operating company. When he asked to arrange assistance at the station, he was told that this would not be possible and he would have to travel 22 miles to the nearest staffed station to make his journey. This information was incorrect and had been given by a member of staff in a call centre that handles passenger assistance for five different train operating companies. We would like to see a consistent policy from train operating companies to ensure that accurate information is given to disabled passengers.

17. Passengers who wish to book assistance currently have to contact the specific train company with which they are starting their journey. Each train company has a different telephone number for this service. We feel that the current Assisted Travel Management System (ATMS) is not fit for purpose and investment needs to be made to introduce a system that works effectively. Many blind and partially sighted people contact Guide Dogs to tell us of occasions when they have booked assistance, well in advance and it has not been provided on the day of travel. We would argue that to assist with ease of access to information and establish a reliable system for booking assistance, one national lo-call or freephone telephone service should be provided for disabled passengers. It is also vital that call centre staff are given disability awareness training to ensure they can offer a good standard of service to disabled people.

18. We would also like to see a website that is fully accessible and widely advertised which would allow disabled people to make all their travel arrangements. Currently there are several websites but the level of accessibility varies greatly and they are not publicised.

19. Printed timetables and other literature should also be made available in accessible formats, such as large print, Braille, audio CD and audible, as well as iPod/MP3 formats, that can be downloaded from the internet. Printed information can often be out of date and we feel that this issue needs to be monitored to ensure the most up-to-date information is available.

MEETING THE SPECIFIC NEEDS OF DISABLED PASSENGERS

20. Although we welcome the Government’s commitment to continue to improve access for disabled passengers to the national rail network, we feel that some opportunities to improve access to train stations for blind and partially sighted people are being missed. It is our belief that the funding to improve access to railway stations through the “Access for All” fund needs to be used to make a wider range of accessibility improvements such as; clearer signage, tactile surfaces on platforms and improved lighting.

21. We acknowledge that there have been significant improvements with regard to accessibility for disabled people to the UK rail network. It is important to emphasise, however, that a key element to improving accessibility for disabled passengers, including blind and partially sighted people, is the standard of assistance offered by staff. In recent years, there has been a marked improvement in the level of disability awareness by front line rail staff but we feel that there is still room for improvement. The quality of assistance offered is still varied across the UK. This inconsistency can mean that the quality of part or all of a journey is affected. We would like all train operating companies to develop adopt high quality, standardised disability awareness training for all front line staff, which should be incorporated in to staff inductions in addition to annual refresher training.

22. While we call for improvements to the booking and provision of assistance above, we would also add that blind and partially sighted people, like other passengers, also wish to make spontaneous journeys that cannot be planned or booked in advance. A good standard of assistance should be provided on these journeys.
BETTER ACCESS TO STATIONS

23. We welcome the points made in the White Paper which highlight the importance of joint working in developing a “Station Travel Plan” (Section 10.61). Encouraging train operators, Network Rail, local authorities and other transport providers to work together in developing integrated transport networks is a positive step forward. It is our view that there has been insufficient joint working with key stakeholders to improve access to stations and other transport modes. We would also encourage local Access Groups, local societies of visually impaired people and other disability organisations to be involved with the development of “Station Travel Plans”. Such groups are a good source of expertise in regard to seeking advice on improving access to services for disabled people.

IMPROVING CONDITIONS AT STATIONS

24. For visually impaired passengers some of the key improvements that should be included in station improvements are:

— Clear signage that is of consistent design and standard at all stations.
— Introduction of effective lighting.
— All platforms, at all stations, should have the appropriate tactile surface to reduce the risk of blind and partially sighted passengers falling from platforms.
— A good use of contrasting colours and tones in finishes to assist mobility in stations.
— Clear audible and visual information systems.
— Stations that are free of unnecessary furniture such as poorly positioned “A” Boards, café furniture or poorly sighted planters, which can be a severe hazard to blind and partially sighted people.
— Station staff who can identify a safe and accessible dog toileting area, close to stations, that can be used safely by guide dogs and other assistance dogs.
— Station staff who are helpful and who are trained to a high standard in disability awareness.

BETTER TRAVELLING CONDITIONS ON TRAINS

25. The standard of travelling conditions on trains for disabled people has improved greatly over the last few years. This improvement has been the result of the DDA and the introduction of the Rail Vehicle Accessibility Regulations (RVAR) in 1998. There are however, some areas around travelling conditions on trains that could be improved for blind and partially sighted people:

— Ensuring that automated audible and visual information systems are working correctly and are displaying and announcing clear and accurate information. It is still the case that some train operators are not ensuring these systems are working as they should on their trains. This inconsistent approach can cause significant difficulties for blind and partially sighted passengers. The Government has powers under the DDA 2005 to introduce a more effective enforcement regime and we would urge it do so as soon as possible.
— Ensuring that the design and location of control buttons on trains is standardised across the rail network. The current variety causes confusion to blind and partially sighted train users. While new trains to RVAR standards are required to have control buttons to specified design and dimensions and in certain locations nevertheless there remains concern that the positioning of controls such as in accessible toilet facilities and on internal doors varies between new trains. This is of course exacerbated with the use of older trains.
— Making it easier to locate “Priority Seating”. This seating is designed to be used by disabled passengers but finding it can often be a problem. These seats are more suitable for guide dog owners as they allow additional space for the guide dog to be placed in a safe and comfortable position but staff are often unaware of their position and the signage is not accessible to blind and partially sighted people.
— Providing an at seat refreshment services for those unable to access on-train buffet services. Many blind and partially sighted passengers have difficulty locating this service and train staff do not offer to assist with obtaining refreshments from the buffet service.

26. The Government must bring an end to uncertainty about when all rail vehicles will meet RVAR standards, by using the powers conferred by the DDA 2005 to set the end date, improve enforcement and ensure that all rail vehicles are subject to RVAR when they are refurbished. FGW have recently announced that they will replace RVAR compliant vehicles with older, non-compliant vehicles. Although it is likely that those will be subject to some refurbishment before their re-introduction, we are concerned that the level of refurbishment will not cover the requirements of the RVAR and that Parliament will not have the opportunity to scrutinise non-compliance through the exemption procedures provided in the DDA.
27. Guide Dogs and JCMBPS are pleased to have had the opportunity to submit this written evidence to the Transport Select Committee. If you would like further clarification on any of the points raise, please contact the following members of our organisations.

October 2007

Memorandum from the British Transport Police Authority (RWP 13)

The British Transport Police Authority welcomes this inquiry by the Committee into the Government’s proposed 30 year rail strategy and the opportunity to input into the process.

1. INTRODUCTION

1.1 The British Transport Police Authority (BTPA) was established in July 2004 to provide more public accountability for the British Transport Police Force (BTP) and in doing so has a duty to secure the maintenance of an efficient and effective policing for the railways. The Authority has responsibility for appointing senior officers, entering into police service agreements with railway operators and defraying the expenses of the Force. Through its current 3-year Strategic Plan the Authority sought to secure operational improvements by addressing a number of “legacy issues” caused by the preceding years of under funding.

1.2 Delivery of the current Strategic Plan was enabled by an increase in the Force’s budget of almost 57% between 2004–05 and 2007–08 (from £118.6 to £186 million). The improvements that the current Strategic Plan have realised have been crucial in driving the Force’s performance and increasing its capability to respond to both the “every day” demands of the travelling public and the rail industry, and exceptional events such as Grayrigg and the terrorist attacks of July 2005.

1.3 A review of the Force by the Department for Transport in 2006 endorsed its continued existence as the dedicated police force for the railways. As such, the Force will have a crucial role to play in delivering some of the core objectives of the 30 year rail strategy; particularly in relation to improving safety and reliability on the railways. The BTP currently plays a pivotal role in keeping the railways running; preventing and detecting criminal damage, route crime (including cable theft) and responding to fatalities. The Force prioritises investigating staff and passenger assaults and responding to low level disorder and anti-social behaviour. All of these tasks are core business for BTP and clearly its work will become increasingly important in light of the anticipated growth in both rail infrastructure and passenger numbers.

1.4 Accepting the Force’s continued existence as a dedicated resource for the railways, and its strategic role in the delivery of a sustainable railway particularly in relation to improving safety and reliability; two key issues remain which will require further consideration as part of successful delivery of the Government’s stated ambitions.

2. FUNDING ARRANGEMENTS FOR BTP

2.1 In the light of the repeated endorsements of the BTP’s existence and role, we believe that there is an opportunity within the context of the 30 year rail strategy to look again at how the operations of the BTP are to be funded in the future. The BTPA has made a number of suggestions to DfT in the last few years on alternative funding arrangements, which to date have gone no further, but we feel that this review offers a new opportunity for DfT to consider these and other suggestions afresh.

2.2 Recent Government support has done much to improve the status of policing of the railways. The newly-created Authority received a clear direction from the Secretary of State to address the legacy issues, which it has achieved via the three-year Strategic Plan and associated budgets.

2.3 However, it is right that the issue of funding be re-examined, as it continues to be a source of tension between the BTP and the Police Service Agreement (PSA) holders. The potential for such continued tension was pointed out by both the PSA holders and BTP during the DfT consultation on the new Authority, as well as by the Department for Transport and this Committee when they last looked at the BTP in 2006.

2.4 The BTP’s functions are directly beneficial to both rail passengers and the rail industry, but the Force also has a number of roles and statutory responsibilities which are for the “wider public good” which the rail industry is reluctant to continue to finance. In particular it is legitimate to contend that anti-terrorist operations and other activities not directly related to the railways should be met by the public purse. It is therefore unlikely that funding tensions will go away, and this will continue to be an issue in the future.

2.5 The funding mechanisms currently in place may of course be improved. This is something the BTPA recognises and has, for several years, suggested alternatives to DfT. In conclusion, the 30 year strategy for the railways is an opportunity to resolve the funding issues for the BTP and secure an adequately and appropriately resourced police service during the period covered by the Government’s rail strategy and beyond.
3. MAJOR DEVELOPMENTS OVER THE NEXT 30 YEARS

3.1 The 30 year rail strategy sets out a range of future ambitions some of which will have a direct impact on the work of the BTP. A doubling of freight and passenger traffic during the next 30 years will clearly create an environment where there may be an increased opportunity for crime to be committed—whether this be against rail passengers, staff or the rail infrastructure itself.

Expanded rail infrastructure: Crossrail

3.2 The Crossrail development in particular will substantially increase the demand placed on the Force in the South, both during construction and when the line is open to passengers and operators. The Force will want to ensure that it has sufficient opportunity to input into the security planning stages for this, and other developments, to offer advice on environmental design and reducing opportunities for crime. The Authority will also need to ensure that the Force is adequately resourced in order to provide the appropriate level of policing to respond to the changing nature of the railways in the future.

Exploiting new technologies

3.3 BTP was one of several police forces to recently trial the frontline use of Personal Digital Assistants (PDAs) and has realised improvements in both productivity and effectiveness by doing so. This trial was jointly funded by the Transport for London and the Home Office and the Home Office has now made funds available to all regional forces to expand the use of PDAs unfortunately BTP will not be able to access this funding stream.

3.4 The Authority would welcome Governmental support for the Force expanding its use of PDAs in order to best respond to the predicted growth in passenger numbers, freight traffic and rail infrastructure.

Resourcing for the London 2012 Olympics

3.5 In the summer of 2012 the World’s focus will be on London, as it stages the Olympic and Paralympic Games. London can expect a substantial increase in construction in and around the railway network in the years leading up to the Games, and in international and domestic visitors during the Games. Providing a safe and secure environment for those using public transport up to and during the Games presents significant policing challenges which require clear identification and planning. BTP has already begun work on this with the Metropolitan Police Service (MPS), Transport for London (TfL), London Underground Limited (LUL) and other rail industry partners. With events being staged across the country the Games have a national policing impact for BTP that extends beyond just London.

3.5 Uncertainty remains, however, in relation to where the funding for these events will come from and the BTPA will want to lead on negotiations to secure sufficient funding for BTP’s activities. BTPA’s working assumption is that this will come from the monies being made available by Government to other partners for this event although this has yet to be confirmed by Government.

3.6 As part of the 30 year strategy for the railways, the Authority would welcome some more consideration of where the funding for the policing of the rail network for events of national importance, such as the London 2012 Games, will come from in the future.

4. CONCLUSIONS

4.1 This memorandum has highlighted the areas of the Government’s 30 year rail strategy in which the British Transport Police Authority believes the British Transport Police Force can play a key role. The Force will have a particularly important part to play in both enabling improved reliability on the rail network and improving personal passenger safety at railway stations and on trains.

4.2 Finally, we thank the Committee for the opportunity to put forward our views on this issue, and are happy to provide any additional documentation or comments which may be of assistance.

October 2007

Memorandum from Trainline.com Ltd (RWP 14)

ABOUT THE TRAINLINE

1. The Trainline is an online rail information provider and the UK’s leading on-line rail ticket retailer. We currently sell just over 6% of the UK’s surface train tickets by number of journeys, through a dedicated website, Train Operator Websites and call centres and an associated fulfilment/distribution function.

2. The company was founded in 1997, initially as an online sales channel for Virgin Trains, but since 2006 has been independently owned by private investors and has no owning relationship with any of the UK’s Train Operating Companies (TOCs).
3. In addition to its branded website at www.thetrainline.com, the company works with the majority of (TOCs) to provide the IT infrastructure for their online ticketing services, and also provides ticketing direct to a number of large companies, public sector organisations and service providers in the travel sector.

4. The Trainline welcomes the publication of the Rail White Paper *Delivering a Sustainable Future*. Our comments on the paper relate to specifically to the section on “Delivering for Passengers”.

A Fares Structure That People Can Understand

5. The Rail White Paper rightly identifies the need to provide passengers with innovative and value for money fares. As the leading provider of online rail tickets, The Trainline has played a key role in the provision of online ticketing and we too are keen to ensure that passengers have straightforward access to the best value fares, however there are a number of important considerations in this regard:

   — The Committee will be aware of the ongoing debate about the large number of fare options available to passengers on a given route, all of which we are currently obliged to set out on our website.

   — We hope that the proposed simplification of fares currently being agreed by ATOC and due to be rolled out in 2008 will help to address this, however we have already been working with some of the TOCs, such as Virgin Trains, to provide a simpler information breakdown for passengers—eg an initial choice between the cheapest flexible, non flexible and full fares.

   — The Rail White Paper proposes the introduction of “internet only” fares, such as the “Megatrain” service operated by South West Trains. However whilst this service offers cheap tickets to travellers, they are only available from the Megatrain website. Passengers may in future be faced with having to visit every TOC website to ensure that they have secured the best fare, as TOCs are presently able to restrict retail availability of these fares, which may create an issue about accessibility, particularly in light of the concerns set out above about fare simplicity.

Making it Easier to Buy Tickets

6. The Rail White Paper also notes that new technologies can be used to provide passengers with better information about their services, as well as updating ticketing technology.

7. With regard to the introduction of Smartcards, The Trainline welcomes recent news that the London Oyster card system will now be rolled out across local London services by 2009. We are also keen to see the nationwide roll out of ITSO compliant smartcards move forward, but again there are important issues that need to be taken into consideration, for example:

   — The infrastructure required to ensure that smartcard technology can work effectively is substantial—gates, readers, ticket machines etc. The Trainline is currently in discussion with the DfT and TOCs about the role that we might play in helping to set-up asset-funding in a way that enables smartcard schemes to operate successfully and quickly, at a national level.

   — On this point, the Committee may be aware through the feedback to its ongoing inquiry into ticketing, that there are concerns within the industry that the roll out of rail smartcards in conjunction with the concessionary fares scheme is likely to encounter a number of difficulties with patchy inter-operability. In our view this reinforces the need to take a strategic view of the national picture and in particular to ensure that every TOC is obliged to accept ITSO smartcard tickets in time for the 2012 London Olympics, rather than continuing to roll out at a franchise by franchise level for rail together with bus concessionary services at a local authority level and then trying to “link up” the schemes over a period of more than five years.

   It is also vital that the roll out of new technology takes place in a way that minimises the potential for fraud or abuse. In particular, plans for mobile phone bar-code ticketing technology need to be looked at very carefully as in the long term, the safest way to ensure e-tickets could not be abused is to use smartcard technology on cards and within mobile phone handsets.

Providing Fast, Accurate and Helpful Information

8. Trainline welcomes the White Paper’s commitment to improve the standards of information across the network, however we believe the proposals regarding information provision do not go far enough.

9. Providing for only the NRES website to display all fares available, including internet-only fares, amounts to a simplification of fare information only until the point at which it ignores the customers’ chosen interface ie the Trainline and TOC websites, which is what customers use to purchase tickets. We feel the Department’s proposals should reflect the reality of the market as it currently operates—in that customers choose from a number of interfaces to obtain the information they desire.

*October 2007*
Memorandum from the Chartered Institute of Logistics and Transport in the UK (CILT (UK)) (RWP 15)

The Chartered Institute of Logistics and Transport in the UK—CILT(UK)—is the premier institute for professionals working in transport planning, operation and administration. Its 19,000 members include directors, managers and other individuals working in and around the rail industry. The Institute is therefore uniquely placed to comment objectively on the issues raised by the Committee’s Inquiry.

INTRODUCTION

This evidence represents the result of consideration of the White Paper by CILT’s Strategic Rail Forum. It focuses on the strategic issues raised by the White Paper as a 30-year view of the industry. It does not comment on short term tactical decisions that are properly the province of industry practitioners operating within current financial constraints set by the SoFA and TOC income. We recognise that the HLOS only specifies what the government wishes to buy in the CP4 period, but it is set within a strategic view of the industry over several decades beginning in 2009. The existence of the White Paper is evidence that there is a need for government to take such a view, and not rely either on the industry alone or on a series of five-year plans to specify “inputs” such as infrastructure and rolling stock requirements. As an Institute representing members across diverse transport disciplines we are concerned that the White Paper should be seen within the context of wider transport and related policy development and implementation (eg land use and planning). Our specific comments are set out below:

1. GOVERNMENT OBJECTIVES AND TIMESCALES

We welcome and are generally happy with the three documents which constitute the White Paper. They strike a positive note and the technical strategy is well founded on industry experience. We also note that they have been well received by most industry commentators, including the freight sector. Our key reservation is that the lack of plans for significant infrastructure investment may limit the ability of the supply market to respond once government decides what it wants. The “wait and see” arguments advanced are not compelling—forecasting will always involve uncertainty. For long-term decision-making the DfT needs to find better forecasting methods, not put off the decisions. We recognise that some progress is being made in the area of rail demand forecasting, though much remains to be done. What is also essential is “joined-up government” at all levels, where land use planning and transport policy are integral, and where transport decisions should be considered on a multi-modal basis. Therefore it is imperative to recognise the links to the planning White Paper and Eddington.

Transport is a driver of economic growth, not only a result of it. Long lead times need to be acknowledged as the rail industry has difficulty responding to sudden changes in demand. The lessons within the Eddington report in this area need to be taken fully into account. While we understand that the HLOS and SoFA run only to 2014, the White Paper should reflect its stated 30-year horizon. It is also important that there is clarity about who will actually own and drive forward the objectives set out in the White Paper.

2. WHAT CAN FUNDING THROUGH FARES AND FREIGHT RATES ACHIEVE?

We agree that it is important to continue to control industry costs. As an Institute, we consider that the cost to the taxpayer should reflect the social and environmental benefits, while the farebox contribution should reflect the benefit to the individual customers. The suggested balance of a 50/50% split overall between fare box and taxation-based funding requires justification which has not been advanced in the White Paper. We note that in most European countries the taxpayer contribution is proportionately much higher, and overall fares much lower—serving to generate positive pressure for increasing rail’s modal share. If the cost to rail users is to rise disproportionately to that to air and road users, the consequences cannot be good.

CILT endorses the approach to freight, which continues to reflect that freight should be charged for its marginal network access costs where it shares infrastructure and acknowledges the positive contribution the mode makes in terms of reducing the environmental impacts of moving goods. The creation and funding of the Strategic Freight Network is also a positive initiative.

3. INFRASTRUCTURE EXPENDITURE, REPLACEMENT AND ENHANCEMENTS

The White Paper includes three medium sized infrastructure investments, prioritises short-term infill schemes, but puts off major investment decisions on the grounds of uncertainty.

Transport planning in the UK has typically taken a relatively short-term view based on contemporary economic factors. Economic forecasting in relation to investment decisions should arguably be based on a straight line average GDP, rather than fixing on a boom and bust scenario. The stop-start nature of UK transport investment weakens domestic suppliers, encourages the export of talent and reduces the ongoing availability of skills and resources for domestic major capital projects in what is now a global market.
CILT believes that the case for electrification has been too easily dismissed. There are particular strengths in cases of infill projects that will not cost very much but bring significant benefits. ATOC has already identified a number of such schemes, and recent Route Utilisation Strategies have also contained examples. If these were to be brought forward by the industry, we would expect that funding could be made available for those with strong business cases.

The approach taken on access to airports is inconsistent with Eddington’s recommendations, in that it suggests that air travellers should have a lower priority than commuters. Additionally, the view that airport operators should pay for schemes appears to ignore the money generated from rail fares paid by air passengers.

On “high speed rail”, we take the view that the key issue is capacity rather than speed per se. At some stage it will be necessary to lay more track and it may be better to build new (as with HS1) rather than to upgrade existing routes (the WCML experience being a salutary example of the latter). The high speed option should not therefore be dismissed, although we note that this is an example of DfT deferring decisions until the next HLOS in 2012. The medium to long-term planning implications need to be addressed without undue delay and, on this subject, joined-up thinking between this and the Planning for a Sustainable Future White Paper is vital.

4. Technical Strategy, Adequacy and Relevance

We are generally happy with the technical strategy, which is thorough, coherent and well supported by technical detail. It is a good starting point, but more focus is required on how the strategy will be implemented. CILT believes that an Implementation Plan would be useful.

We note that the strategy places a lot of faith in new technology to deliver solutions. However, new technology tends to take a long time to develop and involves considerable uncertainty. The Strategy may place undue reliance on ERTMS—and a recent government announcement shows that ERTMS implementation will take a long time. We note, in the area of new technology, that Network Rail has recently concluded that double-decker trains would bring very few benefits but would impose high costs.

It may be prudent to look first to tried and tested methods of dealing with current problems, notably capacity. Examples are the use of longer trains and platforms, increasing gauge, signalling enhancements, differential speeds and headway management.

5. Lack of Vision, or as Much as One Could Hope For?

There is a need for government to take a long-term term view to enable the industry to plan programmes and identify the resources required as early as possible. The Institute recognises the complexities this involves, with the requirement to balance the needs and expectations of rail users, as well as societal, environmental and safety benefits, affordability, resources and practical planning issues, based on imperfect knowledge (eg around future demands). That is precisely why there is a need for clear strategic direction. The Institute is particularly concerned that the strategy should identify key delivery risks, especially in relation to potential skills shortages. Even where approval is given for major projects, the UK will vie for expertise with other countries where investment is heavy and sustained, such as China. This global dimension cannot be ignored.

Linkages between complementary strategies are key, eg those for rolling stock and freight. There are also extremely important implications for spatial planning, especially within conurbations, not the least of which is considering the need to designate and protect proposed alignments and the potential effects of planning decisions.

There is also a need to look at the environmental agenda for transport as a whole and to recognise that rail, which is very low in emissions compared with road or air, will not be able to play its part by absorbing more traffic from road or air if investment decisions are not taken in time to create additional rail capacity generated by modal shift.

October 2007

Memorandum from the Passenger Transport Executive Group (pteg) (RWP 16)

1. Introduction

1.1 pteg represents the six English Passenger Transport Executives which between them serve eleven million people in Tyne and Wear (“Nexus”), West Yorkshire (“Metro”), South Yorkshire, Greater Manchester, Merseyside (“Merseytravel”) and the West Midlands (“Centro”). Strathclyde Partnership for Transport and Transport for London are associate members.
2. THE SIGNIFICANCE OF PTE RAIL NETWORKS

2.1 166 million trips were made on PTE and SPT rail networks in 2005–06—that’s more than one in seven of all rail trips. These networks play an important role in wider local urban public transport networks—particularly for medium to long distance rail commuting. For example, around 20% of all commuter journeys into Birmingham city centre are by rail (contributing to public transport’s majority share of this market).

2.2 PTEs have a long history of support and involvement in their local rail networks. They have invested heavily in new and additional trains, in opening new routes and new stations (69 opened so far), in upgrading stations and promoting heavy rail as part of wider urban public transport networks.

2.3 There has been very rapid growth in rail use on PTE rail networks in recent years. This is largely because of the way in which city region economies are changing. Clustering of high value economic sectors in revived city centres is leading to more and longer distance commuting—something which heavy rail is ideally suited to support. As the White Paper acknowledges growth on PTE rail networks is outstripping London and the South East, with some networks recording astonishing levels of growth in recent years. The White Paper puts growth in rail travel to and from Leeds at 85% for the 10 years to 2005–06, and between 60% and 70% for Manchester, Birmingham and Liverpool. By way of contrast, growth in rail travel for London is below the average for the network as a whole (though of course absolute volumes and market share remains high).

2.4 As city region economies continue to grow, rail commuting also continues to accelerate. For example the North West Route Utilisation Strategy forecasts Greater Manchester rail commuting will increase by 44% between 2005–06 and 2017–18. In the West Midlands, the Route Utilisation Strategy medium forecast was for 3.9% growth from 2005 to 2011, but in practice growth has been well over 5% per annum, and on certain key routes passenger journeys are up by over 10% per annum.

2.5 Rapid recent growth in rail use has led to significant congestion and overcrowding issues. For example, the White Paper shows that passengers travelling into Leeds experience worse overcrowding than commuters into Victoria, Waterloo or Liverpool Street. This is exacerbated by the fact that many trains are formed of end-door rolling stock that is not designed to handle high-volume commuter traffic.

3. THE CHALLENGES OF GROWTH

3.1 The Rail White Paper’s focus on growth is very welcome. We are particularly pleased that after years of scepticism from Whitehall over the value of our rail networks there is now a recognition of the importance of those networks in underpinning the sustainable development of city region economies.

3.2 However, whilst we recognise that investment in the rail network of the South East is justified by the key role that rail plays in supporting London’s economy we are very concerned that the balance of spend will leave the city region rail networks unable to provide the rail capacity those economies need. In particular we do not share the White Paper’s conclusion that outside the South East there is no strong case for significant infrastructure upgrades in order to enhance capacity.

3.3 Examples of additional infrastructure investment required in PTE areas include:

- The Manchester Hub. Investment to relieve the heavily congested central Manchester rail bottleneck, including development of a tram-train network to complement the successful Metrolink light rail network.

- Tram-train replacement of life expired heavy rail infrastructure on the West Yorkshire network—such as on the key Harrogate to Leeds commuter corridor.

- Linking the currently unused terminal platforms at Birmingham Moor Street to the Derby/Leicester and Worcester/Cheltenham corridors to provide more central Birmingham rail capacity and allowing the development of new local rail routes.

- Renewal and reinvigoration of the ageing Tyne and Wear Metro (which performs a similar function to the heavy rail network of other city regions).

- Extensions to the very successful Merseyrail Electric network.

- Additional capacity at key pinch points on the South Yorkshire rail network (such as Meadowhall and Sheffield) to facilitate faster and more frequent services between main South Yorkshire centres.

3.4 Whilst PTEs have contributed to renewing, refurbishing and supporting the provision of additional diesel trains in their areas, PTEs remain concerned about both the quality and the quantity of the rolling stock available for non-electrified lines in the city regions. Trains like the Pacers (basically a 20 year old bus body fixed to a wagon underframe) are low capacity, rough riding and do not meet modern passenger expectations or aspirations. We therefore welcome the DfT’s moves to develop a specification for a modern regional train as a recognition that the existing regional fleet does need to be renewed. However, there is a trade-off between the uncertainties and delays in developing and procuring a new national standard regional vehicle (which may have to take its place in the queue behind the new national inter city train) and the need to ensure that a more modern fleet of rolling stock is provided as quickly as possible.
3.5 We also welcome the commitment to ensuring that 270 of the 1,300 additional new carriages to be procured will be allocated to urban rail networks outside the South East. However, it should be noted that this is against a backdrop of a significant age gap between the rolling stock fleet in the South East and that of the city regions. For example a Parliamentary answer on 14 December 2005 revealed that the average age of passenger trains in London and the South East was 12 years while on Northern Trains it was 17 years.

3.6 It is essential that the DfT’s Rolling Stock Plan delivers a clear strategy for the deployment and enhancement of the rolling stock fleet as growth on the PTE networks will only be possible with a significantly upgraded and expanded rolling stock fleet. As part of this plan the DfT will need to facilitate the transfer of stock between different franchises and create the market conditions for the ROSCOs to play an active part in the procurement process.

3.7 We also believe that the tram-train concept has great potential for our areas. Tram-train networks (where a tram-like vehicle uses conventional heavy rail infrastructure on corridors into cities, and then runs on-street in city centres) have proved very effective in cities like Karlsruhe in Germany. Tram-trains could bring many more benefits (including releasing capacity at heavy rail terminals) than a like-for-like renewing of existing life-expired conventional heavy rail commuter routes.

3.8 We are disappointed by the continuing prevarication by the DfT on the case for further electrification of urban rail networks. There will always be uncertainties over how technological breakthroughs—combined with wider environmental and geo-political factors—might play out in the future in determining the optimal energy strategy at any given time for the UK’s railways. However, just because the future cannot be guaranteed, that is no excuse not to recognise and support the benefits that electrifying urban rail networks can bring. Urban networks with their frequent stop/start work and need for high acceleration, are particularly suited to electric traction. Indeed the Railway Technical Strategy acknowledges that most new urban trains will be electric. It is therefore surprising that there is not a commitment to consider a rolling strategy of infill electrification on the current network, and route electrification when rolling stock fleets fall due for renewal. The electrification and renewal of the Airedale/Wharfedale routes in West Yorkshire is a good example of the benefits that electrification can bring an urban commuter route—with rail use growing faster than on the rest of the West Yorkshire network and a 75% share of key commuter flows into Leeds city centre now achieved.

3.9 Although we would not want to see investment in additional urban rail capacity sacrificed as a result, we support in principle the case for a new High Speed Line in order to provide additional capacity and to strengthen connectivity between the major urban centres. A high speed line, such as that proposed by Greengauge 21, would considerably assist the regeneration and economic development of the metropolitan areas and strengthen linkages with Europe. It would also help relieve some of the development pressures that exist in the South East by allowing access to strategic markets from a wide national catchment area. Given the extremely long timescales attached to delivering investment on this scale, waiting a further five years to consider whether to start development work would prevent any rapid implementation should growth continue to outpace predictions, potentially leaving the existing rail network struggling to cope with demand.

3.10 We would also be concerned if one of the responses to growth was to seek to “price off demand” through excessive fares increases. The Metropolitan areas contain both significant concentrations of deprivation, and areas where car ownership and use is growing rapidly. To head off the threat of traffic congestion and to ensure that public transport plays its role in tackling social exclusion—it’s important that local rail fares in the Metropolitan areas remain at an affordable and competitive level.

4. THE ROLE OF THE PTEs ON RAIL

4.1 The important contribution that PTEs make to urban rail networks was recognised at the time of privatisation by making PTEs co-signatories to the rail franchises that directly affect them. Co-signatory status allows PTEs to specify service levels, service quality requirements and fares for local services. These must be included in franchises unless the Government considers it would compromise their wider objectives for the railway. PTEs also have to be consulted on any subsequent significant proposals for service changes. PTEs have used their co-signatory role in a responsible and pragmatic way to help ensure that local rail heavy networks have been developed and provided in a way that dovetails with wider city region transport strategies. These strategies are in turn influenced by wider city region strategies for land use, economic development, environmental protection and social inclusion. In effect co-signatory status has given PTEs a “seat at the table” on the future of their local rail networks.

4.2 Following the “meltdown” of railway finances after Hatfield the Government brought in the 2005 Railways Act. The Act means that the Secretary of State has the powers not to grant PTEs co-signatory status on new franchises and to withdraw co-signatory status on existing franchise agreements. So far the Secretary of State has chosen not to grant co-signatory status on the new West Midlands franchise. The White Paper suggests that the Government does not favour PTE co-signatory status—however it states that: “Initial consideration is being given to a revised franchising concept for London that could be extended to other metropolitan areas. This will maintain the existing franchise structure and would not require co-signatory status, but would give relevant transport bodies a bigger influence over franchise specifications.”
4.3 pteg welcomes the prospect of an enhanced role in franchise specifications. This would be in line with the recommendations of the Eddington report that city region transport authorities need to be able to plan, and make balanced investment decisions, across the modes. It would also reflect the success of the devolution of rail powers that has already taken place. The two leading examples being:

- Merseyrail Electrics, which has seen significant investment, and become one of the best performing rail systems in Britain, since the local PTE, Merseytravel, became the franchise authority in 2003.
- North London Railways. Now that TfL has become the franchising authority it is specifying high quality services, new trains, station improvements as well as common branding and ticketing with other TfL services.

4.4 Given the Government has accepted that there are significant advantages to devolving rail powers we are disappointed and surprised that the White Paper suggests our co-signatory status on rail franchises is removed at a time when the Local Transport Bill suggests an enhanced role for PTAs. The co-signatory system has proved effective— and removing co-signatory status will unnecessarily complicate PTEs involvement in heavy rail planning and development.

4.5 On the Merseyrail network, we believe there is the opportunity to take devolution even further and Merseytravel continues to press for the development of full local decision making (FLDM) for the Merseyrail network. The overarching strategy is for the establishment of long-term partnership between Merseytravel, the train operator and other users to enable FLDM, with a vision of rail becoming part of a Single Integrated Public Transport Network. The key objectives can be summarised as follows:

- delivery of local solutions, to local problems by local people;
- improved performance and passenger satisfaction; and
- increased value for money for passengers, tax payers and government.

4.6 By integrating the network in this way, there are demonstrable benefits to the user— particularly as there would be greater focus on performance enhancement through the shared management objectives of the infrastructure manager and operator.

5. Key Areas for Improvement for the Rail Sector

5.1 The White Paper identifies three key areas where the rail sector needs to make faster progress: carbon reduction, stations and ticketing.

5.2 Carbon reduction relates mainly to operational issues over which we have limited controls. However stations and ticketing falls more within our remit.

5.3 We share the White Paper’s view that station environments and facilities can fall short of passenger expectations. There is good practice within PTE areas from which lessons could be learned for the wider rail network. For example:

- All Merseyrail Electric stations in the Merseytravel area are staffed throughout traffic hours— which creates a more secure and welcoming environment.

- Three quarters of significant PTE bus station and interchanges are new or comprehensively modernised. For example, all South Yorkshire’s bus stations are now new and modernised— and have Chartermark status.

- Metro has invested in new and re-staffed station buildings at key commuter stations.

- Centro provides more station car parks that have achieved “Park Mark” status (an accreditation scheme for safety and security standards) than any other operator on the national rail network.

5.4 Building on this good practice there is scope for PTEs to have a greater role in the specification and operation of station facilities (outside the major stations). This would also help ensure that city region public transport networks are presented as a single coherent and branded network, with more consistent standards of service across the modes.

5.5 The White Paper also makes the case for faster introduction of smartcard ticketing for urban rail networks— pledging the introduction of ITSO smartcards on rail in the major cities allowing facilities like “pre-pay” that have proved popular in London. pteg welcomes this commitment. However there will need to be significant read-across into bus policy if the benefits of smartcard ticketing are to be fully realised. The vast majority of public transport trips in PTE area are by bus so for a PTE smartcard to have the same value as Oyster does in London it will also need to be valid on all buses. This will require the stronger and more effective partnerships and quality contract arrangements envisaged by the Local Transport Bill. It might also require funding of smartcard readers on buses— perhaps through a diversion of funding via the reform of the BSOG subsidy regime that the Government is currently reviewing.

5.6 The White Paper is also positive about the potential for zonal ticketing on urban rail networks. This simplification would also work best if it was coordinated with other modal fares structures. Once again this has significant implications for bus policy.

5.7 The extension of a zonal system, crossing boundaries into surrounding areas would help resolve the problems with fares discontinuities where PTE boundaries currently encourage people to drive significant distances instead of using their local station.
6. CONCLUSIONS

6.1 The White Paper sets out a comprehensive policy framework for the development of the national rail network, and as such is welcomed by pteg. While we believe there should have been stronger commitments from Government in a number of areas, the overall direction, in particular the acknowledgement of the growth agenda and the importance of urban rail networks, is helpful. During the implementation of the policies and the distribution of funding, it is critical that the Government recognises the essential role that rail plays in the cities outside the South East and caters for the demand growth which is outstripping that into London.

6.2 pteg looks forward to working with the DfT, Network Rail, ORR and operators on the implementation of the White Paper and HLOS, and we will continue to play our full part in driving the national rail agenda forward.  

October 2007

Memorandum from the National Union of Rail, Maritime and Transport Workers (RMT) (RWP 17)

1. The National Union of Rail, Maritime and Transport Workers (RMT) welcomes the opportunity to contribute to the Transport Committee inquiry: Delivering a sustainable railway—A 30 year strategy for the Railways? RMT organises around 75,000 workers in all sectors of the transport industry and negotiates, on behalf of our members, with some 150 employers. With over 44,000 members employed on the railways, RMT is the largest of the rail unions. Our opposition to rail privatisation and support for the re-nationalisation of the network is well documented.

SUMMARY

2. For far too long the planning and funding of the rail network has been subject to the mood-swings and constraints of the political and electoral cycle. Self-evidently, long term strategic plans and investment streams are a pre-requisite for the rail network to develop capacity enhancements, new infrastructure projects and rolling stock replacement programmes. RMT therefore welcomes the Government’s desire to bring forward a long-term strategy for the rail network.

3. The Committee will know from our submission to your current inquiry into freight transport that we support the principle of a Strategic Freight Network (SFN) and trust that the £200 million set aside for the SFN will be increased in the future as social, environmental and business cases are made for extra additional freight paths on the network.

4. Alongside the SFN other worthwhile commitments in the White Paper include the long awaited funding of the Thameslink project and measures to ease bottlenecks at Birmingham New Street and Reading stations. RMT also welcomes plans to simplify the unnecessarily complex ticketing and fare structure, although we remain disappointed that there is no commitment to introduce a national rail card. Steps to introduce low energy-lighting and regenerative braking will be helpful measures in rail’s carbon reduction programme. Secretary of State Ruth Kelly’s recent announcement that the Department will bring forward a carbon reduction strategy is another step in the right direction. We are also pleased that the DfT has, for now, ceased to talk about rural services “transporting fresh air around the country”.

5. Finally, despite not featuring heavily in the White Paper, RMT is pleased that the funding package for the long overdue Crossrail project is now in place. The population of London is projected to increase by over 500,000 in the next decade. Without the Crossrail project the already creaking transport system in the capital simply will not be able to cope with the extra demand. RMT would expect skills and apprenticeship programmes to be brought forward which will enable the workforce in London and the South East to play a large part in the construction of the new railway.

6. Despite these welcome measures we are extremely disappointed that key decisions over new build infrastructure projects have been deferred and are concerned that the balance of future funding could deter existing and potential passengers from making use of the network. Decisively, at a time when multiple interfaces cause unnecessary duplication and waste, and millions of pounds continue to be taken out of the industry every year in shareholder dividends, DfT plans to simply “rebalance” revenue streams between the fare-box and direct government support represents a missed opportunity to fundamentally restructure the industry and return the network to public ownership.
CAPACITY

7. Last year over 1 billion passenger journeys were made on the national network; the highest number since the 1950s. At that time over 23,000 route kilometres were open to passenger traffic, whereas in 2006–07 that figure had fallen to less than 15,000 kilometers.

8. The rapid increase in passenger traffic seen over the past decade, overwhelmingly as a result of the strength of the economy, has placed an enormous strain on the network. Demand is expected to increase by a further 30% in the next decade. Looking beyond 2017 the likely impact on travel choices of local, regional and national road user charging is likely to further increase demand.

9. Furthermore, the statutory target set out in the Climate Change Bill to reduce carbon emissions by 60% by 2050, and associated measures to deal with warnings set out in the Stern review, will require an expanded role for all forms of sustainable public transport. In fact the Prime Minister’s announcement at Labour Party conference that he will set up an independent commission to investigate whether the 60% target should be stronger could see a greater role for public transport than has previously been envisaged. RMT has repeatedly maintained that an increase of rail’s modal share from the current 6% to around 10% would mean that an additional half a billion passenger journeys will have to be accommodated on the network.

10. The White Paper is therefore quite right to explain that the magnitude of the capacity challenge should not be under-estimated. The size of the challenge facing the network was set out by the National Audit Office who explained, despite the recent multi-billion pound upgrade, that the consensus in the rail industry is that the West Coast Mainline is unlikely to be able accommodate current growth levels beyond 2015–2020.

11. Given the projected rise in demand, RMT believes that the measures set out in the White Paper to deal with the new capacity required over the next three decades, is inadequate.

12. In her speech of 25 July to the Transport Times rail conference, Secretary of State Ruth Kelly explained that she was not prepared to commit to “all-or-nothing” projects such as network wide electrification or the north-south, high-speed line because it would result in diverting funds away from the immediate needs of passengers.

13. RMT is somewhat puzzled that in the context of a 30 year rail strategy, the Secretary of State should counterpose issues in this fashion. Our view is that a three decade long strategy for rail should involve both short-term measures to ease congestion—enhanced signaling, longer trains and platforms—as well as longer term, large-scale projects. In that framework RMT remains extremely disappointed that Government has decided not to commit to a north-south, high-speed link. We would fully endorse the remarks of Greengauge 21 that the link is more than just another rail scheme “but a means to support the development of the British economy in the decades ahead in a way that meets the wider sustainability challenge”.

14. In terms of rolling stock requirements the Government has ordered 1,300 new carriages, which we hope will be manufactured domestically, to help deal with overcrowding on commuter routes into our major urban centres. However we believe that the additional carriages will be insufficient to cope with projected passenger growth on services which are already overcrowded and where demand is expected to rise by more than 20% by 2014. The failure to order enough additional stock could well lead to an unedifying bidding war between train operators as they compete for the additional carriages.

FUNDING

15. It is widely acknowledged that the privatisation of rail has proved to be a very expensive experiment. The July 2004 Catalyst report: Renaissance delayed?: New Labour and the Railways indicated that the privatised rail network requires just over four times the subsidy of BR at its most successful or 2.8 times as much as in the years immediately prior to privatisation. Furthermore the March 2005 Catalyst report: The railways in the third term explained that “around £800 million a year is taken out of the industry as returns to private lenders and investors—a total leakage of more than £6billion since 1996”.

16. In addition, research commissioned by the RMT and published by Richard Murphy of Tax Research on 5 October 2007 reveals that the rail industry is “sitting with £1.3 billion of unpaid tax on its balance sheet: tax that might never be paid but which is being used to provide one third of the funding required to keep this sector going”. The research demonstrates that between 2002 and 2006 (inclusive) a deferred tax loophole which is intended to encourage investment has instead been utilised to fund massive increases in shareholder dividends. During that time £1.5billion was paid in shareholder dividends. The report goes on to show that the nine companies’ declared profits almost doubled from £435 million in 2002 to £810 million in 2006, but their declared tax charges remained almost constant at about £190 million a year throughout the period. The declared percentage rate fell from 43% in 2002 to 24% in 2006.

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1 The Modernisation of the West Coast Main Line—NAO November 2006.
2 Modern Railways August 2007.
3 A copy of the report is available online at www.rmt.org.uk
17. The huge sums not being collected in tax and the millions disappearing out of the industry every year to private sector interests provides the necessary evidence to end privatisation and return rail to public ownership. Simply to repeat, as is DfT practice, that the industry does not need another re-structuring is a hopelessly inadequate response.

18. The Committee will be aware that between November 2007 and mid-December 2007 thousands of railway workers will once again experience being re-organised when four passenger franchises—West Midlands, East Midlands, New Cross Country and Inter City East—are created or transfer services to a new operator. Additionally, workers on the railway infrastructure employed by Grant Rail and Carillion also face an uncertain future as Network Rail moves to reduce the number of renewals contractors from six to four.

19. Rather than, collecting the unpaid tax, closing loop-holes which help to fund shareholder dividends and returning the network to public ownership the Government has instead decided to reduce their direct contribution to the network, in England, Wales & Scotland, from £4.7billion in 2008–09 to £3.6billion in 2013–14. To off-set this reduction in direct subsidy the DfT will look to the fare-box. Revenue from fares is set to increase from £6billion in 2008–09 to £9billion in 2013–14.

20. All parties are agreed that passenger numbers should continue to rise over the next period; self-evidently this will increase fare box revenue. RMT also welcomes plans announced by Government to simplify the fare structure, which is currently overly complex and leads too often to passengers being presented with the most expensive ticketing options. But we are disappointed that the DfT has not followed the example of the Scottish Executive who announced in their December 2006 document, Scotland’s Railways that they were “reviewing fares policy and will seek to develop a new policy which encourages modal shift to rail”. There is now a new administration in Scotland and RMT will be pushing via the Scottish TUC for the new ministerial team to honour the 2006 commitment.

21. However, the benefits of a simplified fare structure will be wasted if fares remain too high and unregulated fares are allowed to rise well in excess of inflation. Britain already has the most expensive “walk-up” fares in Europe and carbon emissions from road transport continue to grow. Regrettably, recent months have seen Arriva Trains Wales and South West Trains increase some unregulated fares by up to 34% and 20% respectively. In addition new franchise agreements have been signed off by the DfT which will see annual unregulated fare increases of up to RPI + 3.4%. The danger is that in response to exorbitant fare levels passengers will simply vote with their feet and refuse to use the service. This would lead to fare revenues being much lower than expected, placing the DfT in the position of funding the shortfall directly or rein in network enhancements.

22. Finally, much of the growth in ridership in the past 10 years has been as a result of the strength of the economy. Any future downturn in economic fortunes will necessarily slow the growth rate in passenger numbers, an eventuality which would also lead to a reappraisal of the Department’s revenue projections.

CONCLUSION

23. RMT welcomes the opportunity to contribute to the Committee’s inquiry. There are some good commitments in the 30 year strategy including the funding of the Thameslink project and the planned Strategic Freight Network. Enhanced signaling and longer trains and platforms will go some way to addressing overcrowding and congestion in the short term. However, RMT is extremely disappointed that a decision has been set aside on long term infrastructure projects such as the north-south, high-speed link and maintains that measures proposed to cope with the projected growth in demand that the network will face over the next three decades are inadequate.

24. On funding we believe that Government has missed an ideal opportunity to return the network to public hands. Billions of pounds have been taken out of the industry since privatisation in shareholder dividends. In addition RMT work with Tax Research has now revealed that rail companies owe over a billion pounds in unpaid tax. This waste cannot be allowed to continue.

25. At the present time the DfT refuses to collect unpaid tax revenues or close loopholes. Instead the Department offers direct government support and now proposes to simply rebalance the source from which the train operators make their profits. Until now it has largely been from direct government subsidy, but for the future the passenger will be expected to pay a far larger share of the bill. Not only is this approach wrong but it contains within it the danger that passengers, who will face substantial increases to unregulated fares, will decide not to use the railway. This will not only leave government to fund the shortfall in revenue, but also runs completely counter to the Governments stated objective of encouraging increased use of public transport in line with environmental objectives.

26. We look forward to participating further in the Transport Committee Inquiry once evidence has been considered.

October 2007

4 Rail Business Intelligence No 299; 2 August 2007.
Memorandum from Campaign for Better Transport Bristol/Bath Travel Area (RWP 18)

OPENING STATEMENT

We should be grateful if the Committee would take note of a matter which is not addressed in the White Paper on Rail—and this is the lack of a level playing field where funding for transport projects is concerned. Please consider the following scenario which is replicated across England, although both Wales and Scotland have moved forward in a manner which enables them to promote the more effective and sustainable project. We understand that in both Scotland and Wales a transport problem is identified and both rail and road are considered and evaluated—and those outcomes compared. As a result the huge time savings which pertain to rail schemes gain validity. In England the following happens on an all too regular basis and undermines the 1997 election promise of this Government.

Campaign for Better Transport (Bristol/Bath Travel Area—which includes large areas of Gloucester, Wiltshire and Somerset) must begin by drawing the Committee’s attention to unsustainable planning, in that we are losing opportunities to fund local rail. Meanwhile, despite Regional Spatial Strategies, expensive local bypasses bid for scarce transport money.

The real killer is the COBA methodology. The cost benefit analysis calculations date from the Seventies, or possibly earlier, when roads were constructed on the basis that they should accommodate all new traffic. The COBA method today remains unchanged—apart from a recent change which allows counties to multiply the numbers of seconds saved in journey time for all traffic over a period of 60 years, not 30 as before. Traffic growth is calculated and judged to increase at today’s rate for the next 60 years. The time taken for the motorist to travel different sections of road and junctions (the “links and nodes” in the network) is modelled in seconds. The benefit to society is calculated by assigning a monetary value per second saved by all the motorists over all the years if a new pipe in the network—the bypass—is added. Even a small bypass for a town with very little traffic congestion can be shown to produce a vast benefit to society—for instance that proposed to the east of Westbury can show a benefit of £180 million.

The COBA applied to rail more or less mitigates against new stations, new infrastructure, new services or more or longer trains. COBA applied to rail completely misses the benefits in time saved, which can be calculated in hours per day for commuters into Bristol for instance (see travel diaries referred to below) Rail schemes are not envisaged in terms of seeing the journey as part of an integrated network of public transport routes, and calculates more passengers as a disbenefit in the sense that more carriages need to be leased and therefore more subsidy applied.

1. Present Success, Future Ambition—Paragraphs 5 and 6

(a) We applaud the statements, but until Government reinstates the Rail Passenger Partnership funding mechanism, or similar investment stream, then many hundreds of journeys taken on a daily basis will not be by rail. It is a key omission from the document. In the West of England Partnership (Bristol/Bath travel to work area) we presently have two large residential developments almost complete—but the Section 106 Agreements for developer contributions towards the construction of new stations awaits implementation. Corsham Station was to be operational by May, 2003 had the Hatfield crash not resulted in the closing of the RPP funding stream. (The situation has deteriorated with the withdrawal by the SRA of the popular two-carriage Bristol/Oxford service. This service should be reintroduced, linked to its proposed expansion to the east to Bedford. Tourist hotspots such as Bath and Oxford deserve consideration, quite apart from the growing numbers of the population who used the direct link between those cities) Portishead Station and reinstatement of line is the other project which the local authorities have been unable to implement.

(b) We would welcome a visit from interested members of the Committee as Bristol is a major city, and the only one which has consistently been denied a PTE. The population of the Greater Bristol Area tops 1 million, and growing, yet many of its 26 stations are appalling and have scant local services. The local authorities are presently being advised to bid for bus improvements, but the public are well aware that what would make a real difference is investment in local rail infrastructure and services.

(c) It was reported at a recent meeting of the West of England Partnership that the Bristol area receives four/five times less funding annually for a transport network which is four/five times inferior to that provided by the PTEs for residents of the cities within pteg—Manchester, Birmingham, Leeds, Sheffield, etc. We appeal to you to address this deficit if the Bristol (WoEP) area is to continue to be the second economic driver to London.

(d) There is a need for a Maintenance Depot in the Bristol area as that at Philips Marsh has run into financial difficulties and at present remains inoperable—a shed. This lack of basic facilities will continue to affect the operator’s ability to service rolling stock and run counter to the delivery of a reliable service.

(e) The ambition to reduce rail’s carbon footprint and improve its broader environmental performance is admirable—has the industry investigated the power generating possibilities of photovoltaics for both the carriages of the future—and at trackside—as a means of sustainable electricity generation. Photovoltaics require light, not sunshine.
2. Getting the Basics Right
   (a) We refer to our comment in 1d) above—a Maintenance Depot for Bristol is a key necessity for the improvements needed in reliability.

3. Enabling Growth
   (a) We draw attention to the reference in the second paragraph of Birmingham, Cardiff, Leeds and Manchester. The residents of the Greater Bristol area—see 1.c) above—are hugely disadvantaged and if your Committee do not respond positively to our submission, are likely to remain so.
   (b) We welcome the promise of no line closures over the period to 2014, but there are many with such skeletal services—run for the convenience of the railway rather than hopeful passengers—which require investment in rolling stock.

4. Improving Quality
   (a) We agree with these aims. However, with reference to the last paragraph, we are unaware of any delivery plan being worked through with the wider authorities of the West of England Partnership, and in 1(a) above have drawn attention to the damage which the withdrawal of the RPP funding stream has done to two growing communities in the WoEP area.
   (b) We hope that it will be possible to improve a wide range of stations in towns across the wider WoEP area, such as Westbury and Frome for instance

5. Improving Rail’s Environmental Potential
   (a) Until attention is paid to the huge environmental benefits of providing transport for the commuters who travel both in and out of the cities of Bath and Bristol, we shall not be able to accept that Government has fully understood and addressed the problem. It was recently reported to us that a Network Rail representative suggested a better solution for Corsham residents would be to improve the road access to Chippenham Station! This displays a total lack of understanding, or disregard, of the daily levels of congestion which average-sized towns on the periphery of cities, with populations of between 10–30,000 contend. It certainly is indicative of a lack of understanding of the environmental costs of such congestion and a road’s inability to solve its upward trend.
   (b) Paragraph 1.e) refers to benefits from photovoltaic power generation. Is this being investigated either here or on the Continent?
   (c) We welcome any move which will enable rail to carry greater volumes of freight and would prefer to see investment in this mode, rather than a hotch potch of rural bypasses from Southampton/Poole through Wiltshire. Westbury stands at a crossroads of rail lines and with investment could deliver environmental benefits to the many nearby trading estates of that town, and Trowbridge, Frome, Warminster, etc.

6. Stable Funding
   Fine words, but the environmental benefits in terms of cutting emissions—and life benefits for commuters—could be far further advanced if the inequalities of COBA for road/rail projects is addressed. See opening statement.

7. Long Term Strategy
   (a) Given the admission in the early paragraphs—that long term forecasts and strategies can be wrong—the White Paper aims to be “flexible” in approach. The guiding principles set in this Summary give one hope that the situation across the wider area of the West of England Partnership will be addressed, and that the “right preparatory work” to which they refer will include the unsustainable, uneconomic, un-environmentally friendly unlevel playing field of the present COBA situation. We trust the changes we see as necessary from our area of knowledge are addressed at the earliest opportunity.

8. The Decade beyond 2014
   We welcome this vision, particularly the cab-based signalling which is to be implemented on the network, which should be used to enable the easier intermingling of local and Intercity services.

9. Anticipating the Very Long Term
   a) We note in the last sentence of the third paragraph in this section that “before we commit to . . . the key criteria of capacity, value for money and carbon efficiencies will need to be rigorously assessed”. In that case the COBA analysis anomaly must be addressed—except sooner rather than in the very long term.
10. A Sustainable Railway

(a) In its second paragraph the Summary states “Sustainability demands a broader look at priorities for the railway alongside other modes”. Please ensure that our repeated references to the COBA for road schemes is brought to heel and rail schemes funded and enabled to prove their full, life-enhancing, potential.

In a report pteg research showed that:

— public spending on transport in London now stands at £631 per head, compared with £239 per head across the four English regions of the North East, Yorkshire and Humber, North West and West Midlands; and

— this funding gap has opened up recently. Five years ago transport spending per head was 70% higher in London than in the North/West Midlands—now transport spend per head is 160% higher in London than in the North and the West Midlands.

If one extrapolates from these statistics, then the West of England Partnership travel area is (do check it out for maths was never my strong point!) £59—but then I have been unable to assess the comparable population figures. Perhaps it is something we may be allowed to investigate and report to the Committee as soon as possible.

In summary, across the Greater Bristol suburban network there is a need to retain higher levels of rolling stock as overcrowding remains a huge problem due to the use of two to three carriage trains, and an improvement in bus/rail integration into the public transport system. A similar situation pertains in Greater Exeter as was referred to at a recent TravelWatch SW meeting.

1. Need for quadruple track between Parsons Street and Filton.
2. Upgrading of line between Weston and Worle junction.
3. Platform lengthening at Worle.
4. Turn-back at Yate to allow the cross city Weston to Yate services to function—at present they would need to go to Gloucester.
5. Filton—Avonmouth—Henbury—Cribs causway—passenger services needed on existing track.
6. Bristol/Portishead route, with intermediary stations.
8. Trans-Wilts Line service to be upgraded to useable and passenger-friendly level.
9. Flax Bourton Station reopening to serve Bristol Airport.
10. Taunton/Minehead link to facilitate commuting and tourist/holiday traffic.
11. Reopen Oakhampton to Yeoford.
12. Re-connect Oakhampton to Tavistock—fifteen missing miles for alternative route to Plymouth.
13. Loops on Salisbury—Exeter line.

Longer Term:

17. Other stations to re-open: Purton, Wilton, Chard, Charlbury, Cranford, Stroud London Road.
18. Cheltenham to Stratford on Avon in long term ambition
19. Loops on Falmouth line.

October 2007

Memorandum from Jonathan Tyler, Passenger Transport Networks, York (RWP 19)

My railway career began in 1962. Since 1983 I have been an independent consultant trading as Passenger Transport Networks and undertaking a variety of tasks. In recent years I have focused on timetabling strategy (within a wider concern for the quality of public transport), and I am currently commissioned by the industry to research the application of mainland European timetabling principles to Britain’s railway. The views expressed in this submission are of course my own and may not reflect those of the organisations I work with. It is also relevant that I use the railways for almost all my medium and long-distance journeys.

Summary. Section 1 examines the nature of recent growth trends and the risks arising from misrepresenting them. Section 2 discusses two models of the passenger business and their respective implications for an integrated and sustainable railway. And Section 3 looks at the presentation, branding and timetabling of passenger services, concluding with a recommendation for central planning of the timetable—the essence of the offered service.
1. The White Paper and Recent History

1.1 Delivering a Sustainable Railway is welcome as the first detailed strategic overview of Government policy for Britain’s railway for many years. It sets out specific objectives and, in line with the statutory framework, it makes specific funding commitments. However the objectives are perhaps over-influenced by present concerns, to the detriment of a clear vision of the long-term purpose of the railway. It is understandable that congestion and reliability should figure so prominently, but other issues exist and need more attention than they get.

1.2 In part the explanation lies in the way in which the authors have followed the industry in taking a somewhat uncritical view of trends in traffic over the years since privatisation. In the case of passengers the growth in numbers appears to be attributable to a combination of

— economic prosperity (and particularly the superfluity of discretionary spending among those most likely to travel);
— the growth of employment in city centres (not just London), access to which by rail has natural advantages;
— growing disillusion with congested roads; and
— service developments and marketing by the operating companies.

1.3 It is in the interests of those companies to play up their own role as a justification for privatisation, but the other factors are more important. And therein lies the danger, for if they are downplayed the industry is more likely to be taken by surprise should the favourable trends weaken or even go into reverse. Conversely, factors that have received little consideration during the years of growth will merit rather more, in particular the distinction between modal transfers and stimulated trips that the Government has abetted the industry in blurring.

1.4 Similarly, in analysis of the railway’s future too little notice is taken of the components of its freight traffic. Nearly all the growth in freight-tonne-kilometres since privatisation has been a consequence of increased demand for the movement of coal. The impact of rail on the general freight market has remained limited, and the talking-up of undifferentiated railfreight volumes should not be allowed to distort the planning process. Moreover, in the one sector where real growth does seem likely, namely deepsea containers, an important question needs to be asked: it may be relatively more sustainable to convey this traffic by rail than by road, but how sustainable in a real sense is the trans-continental, energy-intensive movement of resource-wasting products?

2. Two Models for the Passenger Business

2.1 There are two models, not mutually exclusive, of public passenger transport. In one the railway (or bus) company is a profit-seeking business like any other. Its task is to cater for its customers to the extent that that is profitable and to seek to expand both their numbers and their spending on its product. It has no wider concerns beyond what may be judged prudent in terms of corporate responsibility. In the alternative model public transport is conceived as an element of the communal infrastructure, there to facilitate other activities, to satisfy social objectives such as equitable access and to achieve collective benefits such as protection of the environment.

2.2 The British system of franchising tends to promote the first model, although the second naturally continues to exert an influence, both for historic reasons and because the factors underlying it justify the input of taxpayers’ funds. In most of mainland Europe, by contrast, the public-service model is notably stronger, albeit now tinged, and valuably so, with more commercial discipline than was once the case. I am not convinced that the Government is as clear as it should be about this distinction, for if social and environmental considerations are indeed rising in importance then presently-neglected issues will have to be addressed.

2.3 Two related topics illustrate the point. To the best of my knowledge little evidence has been published about the extent to which the growth in passenger journeys by rail has been caused by underlying changes in demand (for example, demographic and employment shifts), by transfers from car and air or by the stimulation of trips that would not otherwise have been undertaken. This categorisation matters. If a principal policy objective is to reduce environmental impacts, and particularly carbon emissions, then modal transfer is critical (providing it does lead to real savings, of which well-loaded trains are a sure guarantor). Equally, although new travel is not undesirable in itself, especially when it fills otherwise unused seats, if it occurs in circumstances where it leads to a call for additional capacity then its real economic value and ecological footprint must be carefully appraised in a carbon-sensitive and resource-scarce world.

2.4 Greater transparency and frank debate about this issue is essential, not least because at the level of impression and anecdote few signs can be detected that underlying attitudes toward the use of rail have changed very much—and the opinions of non-users are rarely researched. Certainly Britain appears to lag well behind countries such as Switzerland and The Netherlands in positive perceptions of public transport as the natural mode of first choice for many journeys and hence (I believe there is causality here) in the number of journeys per head made by rail.
2.5 The other topic concerns the effect of franchising on services and marketing. The characteristics of the franchise agreements and the commercial objectives of the franchisees combine to focus each company’s managerial activity on the business of that company. That does of course, at its best, yield returns in improved services, better customer care and more efficient use of resources. Nonetheless, the downside is that less effort is expended on collective and network issues and potentials—in a context where geography inevitably means that a significant part of the market does not fall neatly into a single franchise territory.

2.6 This shortcoming manifests itself in various ways. Beyond the statutory duty to provide through tickets inadequate attention is paid to the needs of travellers—and more importantly, potential rail users—whose journeys involve more than one company. In particular, no body (neither the Department for Transport nor the Office of Rail Regulation nor Network Rail nor the Association of Train Operating Companies) has any responsibility for ensuring that connections between services are properly planned in the timetable and properly managed in real time.

2.7 Equally, there is virtually no marketing of through journeys. Companies devote all their efforts and all their discounted fares to promoting trips within their own route, while travellers making multi-operator journeys often face poorer services and limited access to the cheaper tickets (unless of course they are knowledgeable enough, and have enough time, to buy separate tickets—which corrupts data on, and the understanding of, what the real demand is).

2.8 My submission is not that the “supermarket” model is entirely inappropriate, but rather that it has become too dominant. We should beware of thinking that increased numbers of journeys demonstrate the superiority of British policy, given that the “public interest” model has brought service benefits and significant growth in Europe and probably a more efficient application of support payments. If environmental considerations really are the Government’s principal (and growing) concern then the White Paper should have evaluated these issues more thoroughly. As it stands, its main thrust is to perpetuate existing practice and not to explore alternative scenarios.

3. Presentation, Branding and Timetabling

3.1 I believe that the gathering ecological crisis will render imperative a shift of emphasis toward public goals. I shall concentrate here on three areas.

3.2 Presentation covers a wide range of themes that come together to create an image of the service that the railway offers. Some of these are the big ones such as station design, a sufficient number of seats on trains and reliability, regarding which the White Paper has generally sensible things to say. Others however receive less care, and in my experience add up to a poor impression of the kind which the best retailers, for example, would not tolerate. They include: the patentely customer-unfriendly fares system; tracks untidy with weeds, disused equipment and engineering debris; shoddy design of information systems and careless use of English (can we ban “due” when “expected” is meant ?); officious announcements and over-zealous security measures; and the distinctly negative effect of complex rules about inter-operator ticket availability.

3.3 Cumulatively these points are not trivial, and in the absence of a single railway organisation they require leadership from the Government through the franchise process if they are to be properly addressed. Individual franchisees may tackle some of them, but that would not be sufficient to transform passengers’ experience and certainly not to begin changing the unfavourable impressions of too many non-users. This then merges into the question of branding.

3.4 I believe that the lack of a single national railway (or better still, public transport) brand is an impediment to generating a significant modal shift. The fragmentation, the riot of liveries and house styles, the uncertainty about who is responsible for what, the buck-passing and the arrogant application of corporate identities cause confusion at best and deep annoyance at worst. No other sector has been subjected to so much arbitrary intervention, and no sensible system would contemplate the imminent destruction (at considerable expense and for entirely institutional reasons) of the most respected brand in the industry—GNER.

3.5 “Franchising” usually means the rigid imposition of a well-defined brand image on the component businesses. It is odd that that thinking has not been applied to the very system which needs it most—because of its geographic spread, the competitive challenge and its social and environmental purposes. It is disappointing that the White Paper seems quite content with the status quo and failed to consider adoption of a fresh policy. I am confident that a single brand could be compatible with the advantages of having delivery of the service secured by separate companies (as the London bus network shows). Powerful corporate interests might feel a little constrained, but the public benefit would be considerable: it is telling that no rail brand in Britain ranks in brand-recognition tables whereas Switzerland’s national railway ranks fourth there.

3.6 Finally I turn to the issue of timetabling. Apart from a reference to process enhancements this is barely mentioned in the White Paper, which is extraordinary when one considers that the quality of the timetable is the central, essential feature of the service offered by public transport. The implication is that what we have is fit for purpose. It is not. The railway timetable in Britain
— is so littered with complications, variations and anomalies that it is unappealing, often incomprehensible and incapable of being purposefully marketed (in no mainland country would one service for Crewe in an entirely new timetable take 25 minutes longer in one direction than the other simply because British timetablers have not understood a commonplace feature of European timetabling practice);
— fails to offer by means of good ordering of services and connections that sense of convenience and network-connectivity that is essential to encouraging travel by rail;
— is not based on a fully-informed assessment of priorities (the Government and the industry obsessively measure performance but not whether the timetable is the right one, according to considered criteria and sound evidence, in the first place); and
— changes far too often.

3.7 In most European countries the timetable is designed to a defined set of principles that deliver stability, clarity, integration and convenience. It seems probable that this helps to explain high modal shares, and in Switzerland in 2004 and The Netherlands in 2006 “big-bang” changes across the network were events of national importance that have achieved substantial uplifts in patronage. For Britain’s railway to be seen as relevant for a great many more journeys than is presently the case the geography of services must be overhauled, timings must be simple and consistent, and thus memorable, throughout the day and week, frequency must be optimised and connections must be assured and well-organised. The aim should be, as it is elsewhere in Europe, to build a sense that one can travel easily from any origin to any destination at any reasonable time through a coordinated network (including coaches, buses and taxis where appropriate).

3.8 I hope that this omission from the White Paper can be remedied. It is far more important than the politically expedient but poorly-argued preservation in aspic of extremely marginal branch lines. Indeed, some of those cases exemplify the beneficial spin-off from a radical approach to timetabling, for their salvation may lie in closure of barely-used stations in order to improve the service for the larger centres they serve and particularly their links with the national network.

3.9 It is recognised that this proposal has profound implications. Good timetabling, closely linked with infrastructure and rolling-stock development, can only be undertaken by a single influential authority, but where such bodies exist the results are plainly superior. It follows that franchises would move toward being management contracts (many would argue that in reality that is what they already are). It also follows that the Government would have to face up to the fact that, uniquely in Europe in respect of internal passenger traffic, the tension between franchising and Open Access disrupts sensible timetabling and efficient use of resources, as is currently occurring on the East Coast Main Line.

October 2007

Memorandum from the Association of Train Operating Companies (ATOC) (RWP 20)

INTRODUCTION

1. ATOC welcomed the White Paper when it was published as a positive step forward for passengers. It brought clarity as well as opportunities to attract more passengers to rail through a policy of planning for growth. One concern expressed by operators was that, at current rates of growth, even more capacity than proposed might be required. ATOC’s view remains that the High Level Output Statement now allows the rail industry, with Government, to put together firm plans for Control Period 4 (CP4), 2009–2014. It is against this background of overall support for both White Paper and HLOS that the following points are made.

STRATEGY

2. The White Paper is helpful in providing the strategic framework for the HLOS and outlines some of the longer term issues facing the industry, for example environmental issues, rising passenger expectations and the Government’s wish to transfer more of the cost of the railway from taxpayer to fare payer. The White Paper provides an opportunity for the rail industry to set out its own strategy for the long term. The White Paper itself does not provide this, although it does give helpful guidance on Government thinking over this period.

3. Such a strategy would particularly benefit the network of long distance Inter City and interurban passenger services. Longer term 20 year strategies have been agreed for Scotland by Transport Scotland (Scotland’s Railways), London by TfL (Transport 2025: Transport Vision for a Growing City) and Passenger Transport Authorities (for example, South Yorkshire PTA’s Rail Strategy), and are in preparation for Wales by Welsh Assembly Government (A Transport Strategy for Wales). However, no equivalent forward look exists for the network of long distance passenger services, beyond the end of CP4 or the current franchise terms.
4. There will be an opportunity to address this through the Network Route Utilisation Strategy which will be reviewing the SRA’s Long Distance Passenger Train Statement, but in order to be effective, the future development of this will depend on clear endorsement of its conclusions by Government.

ROLLING STOCK

5. ATOC endorses the Government’s proposals to introduce 1,300 new coaches to accommodate growing demand, and has input suggestions from train operators as to where they would be best deployed to reduce overcrowding. Their introduction need not await the start of CP4 in 2009 and orders should be placed as soon as possible to ensure that additional capacity can be provided early. It is important that procurement of these trains should be undertaken by train operators to ensure their specification meets the needs of passengers, and their compatibility with the existing fleet of trains they are designed to strengthen. Clearly, some train lengthening schemes also require infrastructure improvements and all will require additional depot and stabling capacity, but this should not preclude an early start on rolling stock ordering.

PASSENGER FORECASTS

6. The Department’s new Network Modelling Framework is an improvement on earlier models, but considerable uncertainty remains on how rapid future growth will be. One argument is that growth was constrained from the end of 2000, following the deterioration of performance following the Hatfield accident. Others will argue that the strong rail growth trend will be maintained, driven by rising road congestion levels and environmental concerns. What is certain is that the HLOS forecasts of future annual passenger growth are about half that currently being experienced.

7. The potential for further capacity increases is being identified through the RUS process, and it may be necessary to bring forward some of these schemes towards the end of CP4 if this high rate of growth continues.

ROAD USER CHARGING

8. The White Paper does not reflect the effect of road user charging, which could result in a step change in demand for rail services in the areas where it is introduced. This is likely to be less of an issue in London where the mode share of rail commuting is high, than in other city regions where car mode share is high, and there is a great deal of scope for people to switch to rail with the introduction of road user charging. It is important that the likely mode transfer is assessed early, and plans put in place to enhance rail capacity before implementation of a road user charging scheme rather than after. Otherwise, it is likely that a sudden switch from road to rail would increase pressure on existing services and result in a significant deterioration in their quality. Equally, the charging scheme itself is likely to prove more acceptable if rail capacity improvements have been made first.

ELECTRIFICATION

9. The White Paper identifies the need for rail to improve its environmental performance, but does not link this with the opportunities offered by electrification. ATOC believes that there is scope for further electrification, particularly ‘infill electrification’ of short extensions or links between existing electrified lines. A number of schemes have been identified in ATOC’s Discussion Paper Exploring the Potential, published in April this year, and three examples are given in Appendix A. We do not believe that it is necessary to wait for the introduction of cab signalling before making a start on this programme, and that work can start sooner, particularly where signalling equipment is already immunised, or part immunised, against traction current interference. The benefits of electrification are that it:

— removes emissions from the point of use;
— reduces noise levels;
— provides better train acceleration and deceleration;
— improves traction unit reliability;
— allows the benefits of regenerative braking to be introduced, with up to a further 20% reduction in power consumption;
— has the potential to draw power supplies from non fossil fuel sources;
— reduces space required and the weight of traction equipment; and
— offers a longer vehicle life, with no requirement for engine replacement under the European Non Road Mobile Machinery directive.
Costs

10. The White Paper includes some demanding assumptions in terms of the reduction of industry costs. Those relating to Network Rail will ultimately be determined by the Regulator. Those of train operators will reflect the competitive pressures of the franchising process. The infrastructure improvements proposed to increase capacity will, in effect, be funded by the improving financial performance of the train operators, captured by Government through the franchise premia. The assumption in the White Paper is that there will be no increase in real terms in TOC costs during CP4, even though the quantum of services and their quality is planned to rise and fares remain regulated or constrained by competitive pressures. This is a tough objective and a risk area for the delivery of the plan.

Funding and Fares

11. The White Paper makes clear the Government’s policy that the railway will need to operate with a reducing dependence on support from the taxpayer. This is reflected in the growing number of franchises let at a premium and the taper in franchise support payments for the remainder. Profit share arrangements ensure that above the agreed level, payments are made to Government.

12. Some of the increased funding will come from growth in fares income through carrying more passengers, some from improved efficiency by Network Rail and train operators, and the Government expects that some will come from real price increases. However, roughly half the fares by value are regulated by Government based generally on RPI + 1, and any greater increase can only come from pricing on unregulated fares. These components are reflected in the nature of the franchise agreement between Government and train operator, and whilst the actual pricing and implementation of these increases is for train operators to determine, they are driven by the level of franchise premia or support payments agreed.

13. We were pleased that the White Paper reflected ATOC’s proposals for fares simplification, and plans are in hand for their implementation in 2008.

Conclusions

14. Train operators welcome the tone and direction of the White Paper and its clear commitment to meeting growth in demand. They are already working with Network Rail in the production of the Industry Strategic Business Plan to deliver the policies outlined in the White Paper. However, train operators believe that much remains to be done to improve industry processes to shorten planning timescales, and to improve delivery of the projects that will provide the capacity needed.

15. The conclusions of the White Paper provide the framework for the rail industry to set out the vision for the longer term, particularly in relation to the development of long distance services.

16. Passenger growth may exceed that forecast, and an early start should be made, working with train operators to order new vehicles to relieve overcrowding at the earliest opportunity.

17. We believe that further consideration should be given to the benefits of electrification, particularly infill schemes or extensions.

18. Where road user charging is proposed, it is important that sponsoring authorities should involve train operators at an early planning stage.

APPENDIX A

Possible Electrification Schemes

(Examples of three electrification proposals contained in “Exploring the Potential”, a discussion paper by ATOC, published in April, 2007)

These examples demonstrate the advantages that can result from electrification in terms of increasing capacity and making better use of available resources, as well as the more obvious environmental benefits provided.

Liverpool–Manchester—(the Chat Moss route), designed to use AC electric trains that could be redeployed as a result of other changes on the West Coast Main Line. This would increase capacity on the route, and release diesel trains to lengthen other North Manchester local services. It would also provide a diversionary route for Liverpool services during engineering work anywhere on the route between Stafford and Edge Hill, or for emergency diversions, and could also be used by freight.

Bedford–Kettering—Electrification would allow the use of high density commuter trains to provide many more seats for the rapidly growing number of commuters from Wellingborough and Kettering, and could be extended to Corby. An additional benefit would be that these stations could be served by trains using Thameslink to reach Gatwick Airport and destinations in South London and Sussex, as well as serving St Pancras.
**Bromsgrove**—A short (three mile) electrification scheme to provide additional capacity at this rapidly growing Worcestershire commuter station, linking it with Birmingham’s Cross City line. Electrification would also allow faster acceleration from Bromsgrove which is at the foot of the steepest gradient on any main line railway in Britain. It would also allow acceleration of longer distance services from Cardiff and Hereford which currently serve this station with poor use of capacity.

*October 2007*

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**Memorandum from Virgin Trains (RWP 21)**

**INTRODUCTION**

1. Virgin Trains welcomes the Commons Transport Committee’s inquiry into the Rail White Paper, *Delivering a Sustainable Railway*, and the opportunity this presents to comment on key aspects of the government’s long term vision for the railway industry.

2. We also welcome the government’s own decision to publish a 30 year strategy for the railways. This helps all players in the industry to develop a better understanding of the government’s long-term view and enables them to manage their business accordingly.

**STRATEGIC PRIORITIES**

3. We support the general thrust and direction of the White Paper. Delivering a reliable, 24/7 railway must be a priority and many of the objectives and targets set by the White Paper and associated High Level Output Specification have our enthusiastic backing. Virgin Trains will play its full part in delivering the targets set where it is empowered and able to do so.

4. The emphasis on environmental sustainability is also important. The railway may already be one of the most environmentally friendly forms of travel but there is still more that can be done to reduce its carbon emissions. Virgin Trains has conducted a trial to establish the operational performance and commercial viability of bio-diesel for trains and would be happy to make the results of the trials available to the Committee. We are committed to working with the rest of the industry and with government to develop an environmental policy for the railways, which will contribute to meeting the government’s targets for the reduction in carbon emissions set out in the draft Climate Change Bill.

5. We fully support the Government’s initiative to add rolling stock to the railway network to cope with expected demand in future.

6. A partnership approach between operators and Government in management and operation of all aspects of the industry is essential to delivering the reliable, efficient and cost effective railway that the public requires.

7. For Train Operating Companies (TOCs) this partnership approach is fundamental. As the “customer facing” part of the industry, we have a strong feel for the needs of customers and what is required to ensure their experience is positive. TOCs’ marketing and commercial expertise is also a key aspect in promoting the railway and encouraging modal shift from less environmentally friendly forms of travel and the private sector should be encouraged to add its core skills to the partnership.

8. Crucially, it is the TOCs that have to deal directly with passengers when things go wrong. Other players in the industry, notably Network Rail but also the train leasing companies (ROSCOs) and train manufacturers, are largely invisible to passengers. We believe that there needs to be a stronger recognition of the vital role that the TOCs play in managing passengers’ expectations and experiences of the railway, placing perhaps greater emphasis on the need for a strong co-operative and partnership relationship between Network Rail and the TOCs. The White Paper could have been stronger in this respect.

9. We would not wish the Committee to interpret this as saying that the relationship with Network Rail is not good: it is. We believe that the importance of this partnership cannot be overestimated, and that future growth and performance improvements rely heavily on forging ever-closer links between train operators and the infrastructure provider.

10. We note also the strategic policy initiative to shift the burden for funding the railways towards the fare payer rather than the taxpayer. Virgin Trains has no comment on the merits or otherwise of such a policy, which is rightly a policy matter for Government.

11. However, in this context, Virgin Trains has long argued for the greater deregulation of fares, at least for long distance routes which face strong competition from other modes of transport. We have submitted evidence on this issue to the Committee in the past and that evidence is as valid today as it was then. We understand the sensitivity of the issue. But for long distance train operations, greater deregulation of fares could actually facilitate a reduction in certain fares as we apply yield management techniques, similar to the airlines, to fill otherwise empty seats. There is clear evidence of this trend in recent years.
12. The presumption that deregulation of fares automatically results in fare increases is inaccurate and misleading. We are therefore disappointed that the opportunity of the White Paper to introduce greater fares deregulation has not been taken.

13. Nonetheless, we fully support the move towards a greater simplification of fare types—something that Virgin Trains has been pursuing on its own operations for some time. It is becoming increasingly clear that simply continuing the status quo on fares regulation is not in the long-term interests of the customer. The level of growth we have seen in recent years is partly due to the popularity of low, unregulated fares and the simplicity of buying tickets through websites.

14. This has created a huge demand at peak and “shoulder peak” periods, and this level of demand is unsustainable even in the medium term. In short, there will be long-distance train services that will simply not be able to cope with demand unless we create a more flexible fares structure—along the lines of airlines—which enables operators to price tickets according to demand. Virgin Trains will increase the number of seats by 32% from early 2009, offering further opportunities to offer heavily discounted unregulated tickets at off-peak time, but this will still not address the issue of peak/shoulder-peak crowding, which requires further deregulation.

Franckising Issues

15. We note that the White Paper says very little about the franchising process itself. This is understandable as the primary thrust of the White Paper and HLOS is about the performance of the railway, and the investment required to meet the forecast growth in demand that the White Paper anticipates. However, as this is a 30 year vision for the railways, we believe there are some issues related to the franchising process that are worthy of comment and could have been addressed in the White Paper.

16. The nature of franchising has changed markedly since privatisation, with generally shorter franchise periods and more prescriptive terms. The original franchise process encouraged the type of bid under which Virgin Trains and other operators introduced entirely new fleets of trains, but there is now less opportunity for innovation than in the past.

17. After escalating railway costs during the early days of privatisation, there clearly needed to be greater control of the industry’s expenditure. However, the pendulum has swung too far in the direction of public sector control and there needs to be a more balanced partnership between Government and the private sector to bring about further growth and customer benefits.

18. We note that the price offered by bidders for any franchise is the primary factor in deciding who wins a franchise competition. Clearly, price is a fundamental issue and we understand that there would need to be good reasons to award a franchise to a bidder that had not offered the best price. But we are concerned that price appears to be the only determining factor in awarding a franchise. There is little evidence that other issues, which we believe should be given full consideration, count significantly in the assessment of any bid.

19. Most notable is past performance. Given the importance attached to the reliability of the railway, we find it hard to understand why the track record of a TOC is not given greater weight. In our view the franchising award process itself gives little incentive to any TOC to outperform the performance targets set for the franchise. We believe that there are strong public policy reasons why track record and past performance should be given much greater weight than is currently the case.

20. The short length of franchises is potentially a barrier to TOCs investing more heavily in the railways. A short franchise is simply not long enough for TOCs to undertake anything other than relatively “soft” and modest investment, such as additional car parking, limited improvements to passenger information and CCTV.

21. We do not underestimate the importance of these forms of investment—they are vital to the overall quality of service offered. But it is difficult for TOCs to invest larger sums in items such as additional carriages to provide additional capacity and to ease overcrowding. Virgin Trains’ own proposal to invest in 106 new Pendolino carriages for its West Coast Main Line franchise, perhaps funded by a franchise extension, has been discussed with Government, but there are concerns within the Department for Transport over extending the franchise. Taking into account the risks and costs involved in introducing new carriages, the reality is that it would not be economically viable for Virgin Trains to invest in the new carriages unless the franchise is extended.

22. We recognise, of course, that franchises must be competed from time to time and that no TOC has the right to ownership of a franchise. We also understand that it would be wrong, in principle, to allow a TOC to be given regular short-term extensions. However, we believe that there needs to be greater flexibility in the franchise process to allow for occasional extensions where this facilitates investment that would clearly make a material improvement to the services provided, especially in response to successful operation of a franchise. There can be strong public policy reasons for granting franchise extensions if this helps to contribute to the government’s overall objectives for the railway. Yet this degree of flexibility currently appears to be absent.
23. Virgin Trains believes that the White Paper could have been used as an opportunity to reassess some aspects of the franchise process given that it covers a 30 year time horizon, and hopes that a further opportunity to do so can be found.

October 2007

Memorandum from Faber Maunsell (RWP 22)

Introduction

1. Faber Maunsell is an award-winning, international consultancy specialising in transportation, buildings and environmental services. With a reputation for quality and innovation, we are directly addressing today’s major sustainability challenges throughout our work. With an annual turnover in excess of £160 million, we employ more than 3,000 people through a network of over 30 office locations across the UK and Europe.

2. We derive additional strength from our parent company AECOM. One of the world’s largest providers of professional, technical and management support services, they are responsible for some of the most complex and demanding projects currently being undertaken globally.

3. Faber Maunsell is one of the UK’s most experienced and respected transportation consultancies, delivering a portfolio of services that extends from high-level strategy development and demand forecasting to project design and construction management. Our clients include central and local governments, national agencies, transport operators, developers, banks and construction companies. Our in-depth knowledge of the rail and bus industries enables us to undertake strategic planning and feasibility studies, demand and revenue forecasting, and the design and implementation of entire infrastructure projects on behalf of both the owners and operators of public transport systems.

The Rail White Paper

4. The Government’s recent White Paper, Delivering a Sustainable Railway, is a welcome contribution in the development of future plans for the rail network. As a transport consultant Faber Maunsell has developed a perspective on sustainable transport and identified priority issues that should be addressed for the contribution rail can make.

Delivering a Sustainable Railway

5. The goal of delivering a sustainable railway can only be seen as part of an overall sustainable transport policy. Such policy must be holistic, with all the other elements in place, not just rail and especially aviation and road transport, for the policy to work. At the moment, the UK is only part of the way down the route towards sustainable development within transport. We need to view sustainability as an organising principle, something that guides everything we do in the transport network, rather than being concerned with specific physical activity and outputs. We must accept that at first the policy will require specified legislative targets and indicators to be met, because as with any other behavioural change, it takes time to convince people and develop strategies that will lead organisations to embrace new approaches and objectives.

Rail as a Sustainable Mode of Transport

6. Transport in general creates a carbon footprint of 23%; rail has just 1%, meaning it is effectively already “green”. Attempting to get “green” railways is not the issue that we need to focus on in the short term. We need to concentrate on ways to get people out of their cars and using public transport and rail, increasing capacity and facilitating modal transfer. In other words when we talk about sustainability with rail transport, the main issue is getting more people to use rail services. A convincing roads policy to help make this behavioural change happen is therefore necessary. Rail has the potential to grow by 30% in 10 years based on demand, so there is a clear need to take steps on the supply side to meet this demand or this growth potential will be wasted.

Realistic prioritisation

7. The 30-year period should be considered in three tranches. In the short term (the next five years) the key deliverables have been identified such as Thameslink and the redevelopment of Reading Station and Birmingham New Street. In the medium term (5–15 years) we should expect to see Crossrail, the Felixstowe to Nuneaton Freight Route, Crewe Station and the upgrade of Midland Main line. The longer term (15 years plus) we need to see the quadrupling of key lines and the piecemeal upgrade of the East Coast Mainline, as well as technology development (see below).
Capacity

8. Increasing capacity is a vital part of any strategy for the railways going forward and the most important in moving towards a sustainable transport system. This includes short to medium term fixes through improved signalling, closer working with train operating companies and longer trains and platforms. In the long-term we would expect the Government to consider the benefits that can be made from new technologies and any new franchise agreements should reflect this.

Connectivity and interoperability

9. If the rail network is to compete as a viable alternative to international short haul flights to Europe, Britain needs to see a marked improvement in our connectivity and interoperability with Europe (and indeed within the UK). We need to see trains that can cross borders without stopping. At present, each country has its own rail “language” for managing the movement of the trains on its network. Future plan needs to include provisions and a timetable for implementing European Rail Traffic Management Systems (ERTMS), a global satellite signalling standard which will unite Europe, allow us to run more trains, more safely and more reliably. Satellite based rail traffic management systems is vital if we are to level the playing field between rail and air travel. Notwithstanding the benefits of cross border interoperability new satellite signalling would allow considerable increases in the capacity of domestic routes, and our current slow cautious approach to its implementation will not pay off in the future.

High-speed rail

10. Although last year’s Eddington Report sidelined plans for high speed rail, we see this as critical to any medium to long term plans for the rail network if Britain is to remain competitive. We need to draw up plans to develop high speed lines with connections through from the channel tunnel, up to the North of England in the medium term and then moving up to the popular Scottish routes in the long term. We must recognise our planning processes take 20–25 years for such schemes and not forget the needs of future generations by our own immediate interests.

Green rail technology

11. Increasing rail use and capacity is the key but if greener trains were seen as an end in themselves total electrification and lighter trains would make most impact. Bio-fuels represent an interesting distraction from that aim. The infrastructure costs associated with potential hydrogen-powered trains is colossal (since hydrogen could not be transported in metal pipes and containers). So, if electricity is accepted as the best fuel source for rail, a true holistic sustainability policy must recognise its intrinsic part within an overall energy policy.

Planning

12. The Barker Review and the Planning White Paper recognise that planning can be a key element in mitigating the effects of climate change. They both recommended an independent planning body, to override short term Nimbyism for large infrastructure projects but it was notable that rail has been specifically excluded from the White Paper. As some of the larger, medium to long term projects become reality, the exclusion of rail is a decision that could come back to haunt us.

Conclusion

13. We welcome the 30-year rail strategy, which is broadly focused on the correct priorities and recognises the sustainability paradigm. The priority must be to build on current success. The potential growth in rail usage can be realised if there is sufficient will and investment to make it happen and get even larger numbers of people onto the railways, and that will require continued determination across all sectors of the rail industry. Rail cannot stand alone as a sustainable transport element; policies for all modes need to be developed and integrated into a truly intermodal strategy for the UK and its place within Europe.

October 2007

Memorandum from Roger Ford (RWP 23)

INTRODUCTION

This brief submission focuses on a single issue in the White Paper. I believe the treatment of electrification is perverse and misguided and, if not reversed, likely to be to the detriment of the railway in both the medium and long term.

While the White Paper briefly acknowledges some, but not all, of the advantages of electric traction (Para 11.26) overall it employs a number of flawed arguments, technical misunderstandings and inconsistent energy scenarios in an attempt to rationalise what is clearly a policy of “anything but electrification”.
The arguments are discussed below.

THE WHITE PAPER AND RAIL ELECTRIFICATION

Having discussed some of the advantages of electric traction in Paragraph 11.16 (Reference 1), these are discounted in Paragraph 11.27.

11.27 Against this background, some argue for prioritising network-wide electrification today. There are three main reasons for not pursuing this course:

— Electrification is expensive. If it were pursued in 2009–14, it would be at the cost of more urgently-needed investment in increased carrying capacity, which will deliver a greater level of benefit;

— The future performance of electric and self-powered trains is unpredictable today. Developments in hybrid technology, biofuels and hydrogen fuel cells will improve the carbon performance of self-powered trains, whereas changes in power generation will improve that of electric trains. But there remain considerable uncertainties about the relative pace at which these technologies will develop; and

— Electrification would be more cost-effective if it were implemented following the migration to radio-based cab signalling. One of the most serious practical problems with electrification is to prevent it interfering with the existing wire-based signalling system.

Note the introductory “straw man”. As far as I know, the calls have been for a rolling programme, as proposed in the 1981 Joint Review of main line electrification.

Reason 1 is entirely spurious. “Very expensive” is meaningless. Investment would be based on cost benefit analysis. It is also disingenuous. If electrification were “pursued in 2009–14” the time required to evaluate the financial case, take the preferred scheme through the Network Rail GRIP process, design the installation and mobilise the teams means that there would be very little expenditure between now and 2014. Thus 2009–14 is the ideal time to pursue electrification.

Reason 2 is both bad science and technical myopia.

First, rail’s contribution to the nation’s carbon emissions is insignificant in transport terms. Second, biofuel still involves burning hydrocarbons in internal combustion engines which is both operationally and technically a less effective form of traction. Third, assuming hydrogen fuels could be produced economically at the power outputs required for rail traction, current methods of hydrogen production would worsen rail’s carbon footprint.

Reformation from natural gas with steam is both wasteful of a valuable resource and still requires substantial quantities of electrical power to compress and liquefy.

Electrolysis from water requires four times the energy that the resulting liquid hydrogen can generate in the fuel cell. In terms of the energy produced at the power station a fuel cell powered train would be 24% efficient compared with a conservative 74% efficiency for an electric train.

The White Paper sets much store by hydrogen produced from biomass (Reference 2). But is confused about the timescale.

Reason 3 exposes a technical misunderstanding. While ERTMS Level 2 provides radio based cab signalling, it retains traditional train detection using either track circuits or axle counters. Thus electrical interference, which is not a “serious practical problem” but a well understood established practice, will continue to apply to ERTMS Level 2.

If Reason 3 were applied to the Great Western Main Line, it would see new diesel trains replacing InterCity 125s, ERTMS installed, before the route was electrified. This is clearly a nonsense and the established approach, as applied to a series of successful schemes up to the East Coast Main Line electrification 20 years ago, is total route modernisation, with signalling, replaced, new trains and electrification proceeding in parallel.

However, Paragraph 11.8 causes me the most concern

11.28 The Government is clear that the industry needs to take a pragmatic and progressive approach to electrification, determined on a case-by-case basis, driven by business and operational need. In the short term, the key question is whether the benefits of such investment over 10–15 years are greater than its costs, so that it pays for itself regardless of what the optimum longer-term carbon choices turn out to be.

The requirement for pay-back in 10–15 years, when the norm for railway capital expenditure is 30 years clearly makes electrification less affordable in terms of cost:benefit analysis. There is no credible “longer-term” source of energy for self propelled trains which could alter the “energy balance” sufficiently to offset the manifold advantages of the electric railway.

To appreciate the weakness of this argument, you have only to apply it to Crossrail.
The Committee might also note the reference to “case by case basis driven by business and operational need. Railway investment has always been based on business and operational need. But while each electrification scheme has to make its own financial case it does so within the framework of the existing electrified network. Thus each extension in a rolling programme provides the opportunity for “network benefits”.

Exploiting network benefits was a key feature of the 1981 Joint Report on main line electrification carried out by the DoT and BR. I can supply a copy of my article updating the 1981.

In a similar vein, is the reference to keeping electrification under review “so that rail can position itself to take advantage of the best long term carbon choice”. Once again a fundamental technical and commercial matter is being subsumed to an uncertain energy future where the one certainty is that an electric railway can run on power generated by any means.

I would recommend that the Committee seek to ascertain from DfT a statement of the energy sources which could make electrification redundant in 10–15 years.

Finally there is the comment in the Executive Summary. But it would not be prudent to commit now to “all-or-nothing” projects, such as network-wide electrification or a high-speed line, for which the longer-term benefits are currently uncertain and which could delay tackling the current strategic priorities such as capacity.

A rolling programme is not “all or nothing”. Electrification is the one form of traction which is future proof since it must be assumed that that Nation will continue to need electricity, however it is generated.

I would urge the Committee to press the Department on its negative attitude to electrification.

REFERENCES

Reference 1

11.26 At present, 39% of the UK rail network is electrified. 14 Passenger services on other lines are operated by diesel-powered trains, as are freight services. Electric trains are more energy-efficient than diesel ones.

Assessments as to the scale of this advantage vary and are highly dependent on a range of assumptions, but it may be in the order of 18%. High-speed electric trains also have a higher carrying capacity than the equivalent diesel trains, which is an important consideration, given the overall priority attached in this White Paper to the capacity challenge, both for passengers and the environment. The only significant drawback to electric trains is their vulnerability to disruption of power supplies, but this is not sufficient to offset their environmental advantages.

Reference 2

11.19 The most promising technology appears to be the hydrogen fuel cell, but the principal obstacles are cost, storage and the elimination of the high carbon footprint of producing hydrogen, for example through biogeneration.

It may be many years before this problem is solved, even in the laboratory, and even longer before a solution is made commercially viable. The Government has assumed that such a technology will not become available within the lifetime of this strategy, but it is a potential development that needs to be factored into rail planning, particularly in relation to electrification.

October 2007

Memorandum from West Midlands Regional Rail Forum (RWP 24)

1. INTRODUCTION

The Regional Rail Forum in the West Midlands reports to the West Midlands Regional Transport Partnership who coordinate transport matters for the Regional Assembly. The Rail Forum includes representatives from local authorities, Centro, the rail industry, partner organisations and the business community. It seeks to coordinate detailed responses to consultation papers and priorities for the region.

In the case of the Rail White Paper, the Regional Rail Forum considered its views on 28 September and endorsement to this submission was obtained at West Midlands Regional Transport Partnership on 8 October.
2. BACKGROUND

The West Midlands region occupies an important crossroads within the national transport system and contains the most important rail routes on the West Coast and Cross Country networks. It is also a key provider of the national freight network and as the foremost manufacturing region an importance source of demand.

The regional has taken up the challenge of responding to the National Growth Agenda with plans for additional housing and employment, beyond that already set out within the Regional Spatial Strategy. Transport will be a key element in helping to meet the Government’s agenda in this regard.

Recently rail growth on regional networks has been running ahead of that in the south east and is particularly strong in the metropolitan areas especially for the West Midlands into Birmingham. With the proposed housing and employment growth, these high level figures are likely to continue but could be constrained by lack of capacity in terms of the network, rolling stock and parking facilities.

3. RAIL WHITE PAPER

The region welcomes the change in emphasis within the Rail White Paper to planning for growth, to increasing capacity and to improving environmental performance. We welcome the plans for addressing overcrowding within the main city area although this may not be enough to meet the latest growth figures. We endorse retention of the existing rural network. However, there are concerns.

The particular issues that we feel could do with greater emphasis or more work are as follows:

(a) The impact of the changes on simplification of fares and rising non regulated fares. Recently the West Midlands new franchises have been awarded for London Midland and new Cross Country. In the both cases, DfT have reported that non regulated fares are planned to rise by RPI + 3% or greater annually. Our concerns relate to the impact of this on future patronage forecasts and that certain users could be priced out of the market from using rail. This would then impact on the growth assumptions and constraints elsewhere on transport capacity including highways. There is little background research on this issue in the White Paper.

(b) Future Rail Capacity—we support pteg group in its evidence to the Select Committee on the delays to approval of further electrification schemes despite its obvious environmental benefit and opportunities such as continuing work on the high speed line. The Greengauge 21 report highlights the 20 year potential approval and building process for a high speed line. A lack of capacity on the West Coast beyond 2025 south of Birmingham is an issue therefore needs addressing in the next five years.

(c) Freight—we welcome the commitment to £200 million to be invested in the strategic freight network although this will not go particularly far in addressing the shortcomings. It will be useful to understand who is responsible for producing the freight network. Is it the role of Network Rail in its National Freight Utilisation Strategy or Department for Transport? How will Productivity TIF schemes complement these investments? As there are plans in the West Midlands, for instance with the Stourbridge/Walsall line which would open up new opportunities in the Birmingham area particularly into Moor Street, we would welcome an early dialogue on this issue.

(d) Rail Priorities—The region is working on its rail priorities alongside the industry including that for stations. Therefore it is important that the £150 million station Investment Fund, the Access for All funds and opportunities such as from the Growth Agenda, are pulled together. We would be looking for each of the partners coordinating their investments so that we can make real improvements to station accessibility and quality of services.

(e) Growth—While there are 23 routes with targeted increase in capacity, this does not really take into account housing growth and its likely distribution across the region. Therefore we would wish to see more detailed work done through the Planning Assessments and the Route Utilisation Strategies to take into account growth potential working alongside DCLG and housing investment plans.

(f) Carbon Impact—In taking forward environmental considerations, there is a need to consider this to be applicable for both rural areas as well as urban areas and the MainLines so that rail can play its part in addressing climate change and reducing pollution. The electrification point is already highlighted above.

CONCLUSION

We welcome the White Paper creating a comprehensive policy framework for the rail network. However, at a regional level there is a need to link rail investments with major trunk road investment and Regional Funding Allocations so that the Regional Transport Strategy can be taken forward in a wholesome manner. We would therefore welcome rail priorities being considered alongside those for other regional priorities.

October 2007
Memorandum from The Northern Way (RWP 25)

The Northern Way

1.1 This submission to the Transport Committee’s inquiry on the Rail White Paper has been prepared by the Northern Way. The Northern Way is a Government-backed initiative, led by the three Northern Regional Development Agencies (North West Development Agency, One North East and Yorkshire Forward). Our goal is to bridge the £30 billion annual economic output gap between the North and the English regional average by growing the North’s economy faster.

The Northern Way Growth Strategy

1.2 Published in 2004, the Northern Way Growth Strategy Moving Forward: The Northern Way sets out how the Northern Way seeks to bridge the output gap. The Growth Strategy was developed to build on the North’s three Regional Economic Strategies and Regional Spatial Strategies. It highlights transport as a priority area for transformational change. The importance of transport to the North’s economic future was reaffirmed in the stocktake of the Northern Way’s activity earlier this year and it is now one of the three areas that are the focus of Northern Way activity.

1.3 The Growth Strategy identified three transport investment priorities:
— to improve surface access to the North’s airports;
— to improve access to the North’s sea ports; and
— to improve links within and between the North’s City Regions.

The Northern Transport Compact

1.4 The Northern Way Steering Group has established the Northern Transport Compact to provide it with advice on transport priorities at the pan-northern level linked to productivity and the closing of the output gap. Chaired by Professor David Begg, the Compact includes RDA, Regional Assembly, City Regional, and private sector members from each of the North’s three regions. The Compact has led the development of the Northern Way’s Transport Strategic Direction and Priorities.

The Strategic Direction for Transport

1.5 To support its September 2006 submission to the Comprehensive Spending Review (CSR), the Northern Way developed its Strategic Direction for Transport. This is an evidence-based assessment of the most appropriate transport interventions that will promote productivity gain, while at the same time seeking to protect and enhance the North’s natural and built environment, and contributing to meeting the nation’s commitments regarding climate change. Looking over a 20 to 30 year time horizon, it sits below the three high-level transport goals of the Growth Strategy and above the level of individual priority schemes and projects. The Strategic Direction sets out the types of interventions which will have a productivity impact, as well as where in the North those interventions will have the greatest impact.

1.6 The Strategic Direction identifies connections from the North to London and to Heathrow as critical issues for businesses in the North, as well as for inbound tourism. It also reports preliminary evidence that reducing journey times between the North and London and the South East could further stimulate productivity growth in the North. This evidence has recently been supplemented by further research which reinforces this conclusion. Our further evidence suggests that a network of high speed rail routes serving the east and west of the country and linked across the Pennines could add as much as £10 billion to the UK economy through agglomeration benefits. It would benefit the whole country, and importantly such a network will have a greater impact on the North’s economy than the south.

1.7 The Strategic Direction goes on to highlight the finite capacity of the East Coast, West Coast and Midland Main Lines to cater for additional passenger and freight traffic and the need for additional capacity if the detrimental effect on productivity growth in the North is to be avoided once these lines reach capacity. It also highlights the need to resolve the issue of limited rail capacity of the network in and around Central Manchester (the so-called Manchester Hub).

1.8 The Strategic Direction highlights the importance to the North’s economy of the trans Pennine corridor, both for passengers and freight. The trans Pennine routes link the most vibrant City Region economies in the North as well as providing access to Manchester Airport, the most significant airport in the North.

1.9 The importance of rail freight and, in particular, the growing inter-modal market is also noted and the Strategic Direction supports the enhancement of rail access to and from the North’s major ports.
THE NORTHERN WAY’S SHORT, MEDIUM AND LONG TERM TRANSPORT PRIORITIES

1.10 As part of our September 2006 CSR submission the Northern Way undertook to make a further submission to Government setting out our short, medium and long term priorities for investment in the North’s transport system. This submission was made at the end of March 2007. What the Northern Way’s prioritisation work shows is that while the transport proposals being pursued by stakeholders across the North will make worthwhile contributions to productivity growth, taken together they do not allow the Strategic Direction to be met. Consequently, if the North’s productivity growth is to be maximised the need to be addressed. Gaps identified in the March 2007 submission include the absence of a medium to long term strategy for the enhancement of rail links between the North and London and the South East, as well as a long term strategy for the Manchester Hub in particular and for the trans-Pennine network as a whole.

1.11 Details of our Priorities were published in September 2007.

THE RAIL WHITE PAPER

1.12 The July publication of the Government’s Rail White Paper and the associated High Level Output Statement (HLOS) and Statement of Funds Available (SOFA) has provided a degree of clarity on the Government’s view on the future development of the national network. The Government has set out what it sees being implemented in the short to medium term, as well as narrowing the options for medium to longer term investment, in particular in relation to new north south capacity.

1.13 The Northern Way welcomes the long term financial and planning commitment to the railways, the first since the 1955 modernisation plan, and specifically the commitments to

— additional rolling stock for the TransPennine and Northern franchises;
— tackling rail bottlenecks; and
— the reductions in Liverpool—Manchester and Manchester-Leeds (and through to the North-East) journey times.

1.14 We also welcome the introduction of new Intercity Express trains starting with the East Coast Main Line (ECML), and other increases in capacity on the main lines to London during Control Period 4. The commitment to increase capacity on the West Coast Main Line (WCML) around Stafford is important to the North West, as is the commitment to reduce journey times on the Midland Main Line (MML) to the Sheffield City Region. The emphasis on delivering for passengers and the potential for greater regional and city regional engagement are also very significant to the work of the Northern Way as is the proposal for a Strategic Freight Network, including a gauge cleared network.

1.15 The Northern Way, however, has three overarching concerns relating to the Rail White Paper. These are:

— The longer term White Paper approach to enhancing main line capacity is predicated on a delicate balance between the rate of future growth in demand and incremental capacity enhancements being sufficient to deliver adequate north south capacity to around 2030. From the Northern Way’s perspective there is a gap in the White Paper between what is currently proposed for the ECML, MML and WCML and what is needed in the longer term to meet the Northern Way’s Strategic Direction.

— The development timescale for major enhancements of the national rail network is long and for any significant investment longer than the period spanned by a Control Period. The focus of the White Paper/HLOS on enhancements in the short term (ie in CP4) to deliver capacity uplifts, safety improvements and reliability benefits is welcome, but must not take place at the expense of progressing longer-term solutions to north-south passenger and freight links. A focus on the short term at the expense of long term planning has the danger of leading to a process of successive incremental enhancement undertaken in the absence of a longer term strategy for investment. This raises the possibility of investment seeking to address existing problems rather than anticipating future problems, as well as short term decisions precluding longer term (and more beneficial) options.

— Successful delivery of the Northern Way’s objective of growing the North’s economy faster will generate and require additional rail travel, in terms of commuting to the centre’s of the North’s larger cities, longer distance business travel and freight. To accommodate such growth and realise productivity gains investment will need to be brought forward from the time suggested by the demand forecasts that underpin the Government’s White Paper analysis. Consequently, we consider the assessment of longer term projects must commence without further delay. With this in mind we particularly welcome DfT’s recent announcement in response to the Northern Way’s work that Network Rail will begin a detailed study of the strategic long term options to resolve the single most important bottleneck in the North at Manchester Hub.

1.16 The Northern Way also wishes to raise three specific issues in relation to the approach set out in the White Paper and these relate to
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— North-South links
— New rolling stock
— Freight

NORTH-SOUTH LINKS

1.17 Rail links to the World City functions in London are of fundamental importance to Northern productivity. As part of this, the future state of links from the North to Heathrow is a concern too, heightened by the potential loss of domestic air services as a result of Open Skies and de-regulation of the trans-Atlantic market, and the planned increases in charges at Heathrow.

1.18 In the short to medium term, we are particularly concerned by the uncertainty about the plans for the East Coast Main Line. Beyond the early introduction of Inter-City Express trains, there currently appears to be no funding commitment to this route in the period 2009–14, yet it is already acknowledged to be running at capacity and at a level of performance well below other main lines and the White Paper target. The Northern Way has expanded on this position in our response to Network Rail’s East Coast Route Utilisation Strategy consultation.

1.19 In the longer term, the White Paper suggests addressing capacity pinchpoints, providing new higher capacity trains and new in-cab signalling will deliver adequate north-south and trans-Pennine capacity to 2030. There are risks in this approach, including higher than anticipated demand, delays and cost escalation in capacity enhancement schemes and new technology risk in the prospective ERTMS signalling systems. There is concern across the North about the East Coast and Midland Main Lines being subject to the scale and length of disruption experienced on the West Coast Main Line during its modernisation. Moreover, a resurgent Northern economy and delivery of the Government’s regional economic objectives will lead to much faster growth in rail demand on the routes from the North to London and across the Pennines than the White Paper assumes. Standard rail industry forecasting suggests that there will be at least a 2% growth in demand for every 1% growth in the North’s economy.

1.20 The Northern Way also has important new evidence about the additional productivity benefits that higher speed journeys would bring to the North. Such benefits have not been identified by Eddington or in the White Paper evidence base. Based on a north-south network on both sides of the Pennines plus a trans-Pennine Connector, the agglomeration benefit of higher speeds would be worth as much as £10 billion over 60 years and has a significant (£3.5 billion) contribution to the economic growth of the North. There would be similar levels of impact on London’s economy, so the case for high-speed rail is not just about connecting the North to London—it is about integrating the North’s and South’s economies. High-speed rail may well, therefore, have a much stronger overall economic case than has so far been recognised by Government. This evidence was published in September alongside our work identifying short, medium and long term investment priorities for the North.

1.21 Clearly, the development of a north-south rail strategy needs the involvement of Government and Network Rail. Our March 2007 submission, to the Comprehensive Spending Review committed us to working with the Government towards the development of such a strategy. From the Northern Way’s perspective it is important that the future assessment of proposals should recognise that:

— Growth in the North’s economy will generate and require additional business travel between the North and London and the South East.
— The successful delivery of the Northern Way’s goal of closing the output gap between the North and the national average will result in faster rates of growth than anticipated in the Rail White Paper.
— There are significant and substantial wider economic benefits to the North (and the rest of the Country) that have not yet been taken into account.
— There is an opportunity to support the development of a new economic geography by connecting the growth areas in the South with resurgent Northern City Regions.

1.22 In the Rail White Paper the Government has committed to examine the issue of new north-south capacity to come to a view by the time of the next HLOS in 2012. The Northern Way’s position is that this examination needs to get under way soon—the importance of north south links is such that unnecessary delay is potentially detrimental to the North’s future economic prospects.

ROLLING STOCK

1.23 Demand on rail services in the North is growing at faster rates than elsewhere. Many commuter rail services in the North are operated by old poor quality rolling stock with insufficient capacity to cater for current demand. On routes where new rolling stock has already been provided, such as the Trans Pennine Express (TPE) network, on the most well used sections (for example between Leeds and Manchester) recent rates of passenger growth mean that these services are just as crowded (if not more so) than before the new trains were introduced. Some of the most overcrowded services on the national network are in the North.
1.24 The Northern Way welcomes the White Paper commitment to introduce 1300 new carriages to the network of which 300 will be for the regions. Our concern relates to the absence to date of a clear timetable for the introduction of this much needed new rolling stock and in particular:

— How regional and city-region stakeholders can influence the timing and scale of individual stock replacement programmes, including by contributing their own resources directly or in kind.

FREIGHT

1.25 Improvements to surface access links, and particularly rail links to the North’s ports has been a particular focus of Northern Way activity. As we detail in our response to the Committee’s parallel inquiry looking at freight, the Northern Way sees the creation of a national network of rail routes gauge cleared for inter-modal containers as essential if rail’s mode share of inter-modal traffic is to be maximised and the North’s ports are to continue to grow their overall market share of UK traffic, which has increased from 29% to almost 34% over the last decade. We therefore welcome the White Paper commitment to create a national Strategic Freight Network and are looking for the role of the North’s ports to be clearly represented in it. To this end, the Northern Way has recently completed an assessment of the market demand for gauge cleared routes from the major northern ports and is now working with Network Rail to develop the detailed business case for gauge cleared links from Teesport and the Humber Ports to the East and West Midlands, and across the Pennines to the Mersey.

October 2007

Memorandum from Greengauge 21 (RWP 26)

INTRODUCTION

1. Greengauge 21 is a company limited by guarantee established to promote the debate on high speed rail development in Britain. It has two Directors who are the authors of this submission. It has an advisory panel comprising Richard Bowker, Lord Faulkner, Chris Green and Prof Sir Peter Hall. It published a Manifesto in January 2006, and a report entitled High Speed Two in June 2007. It has also published research into the European experience with high-speed rail and the impact of high-speed rail on Heathrow Airport.

2. Greengauge 21 believes that it is essential to take a long term view on the nation’s rail system if the right investment decisions are to be taken. It therefore welcomes the White Paper on Rail (Cm 7176) but finds it falls well short of what is required because it pays insufficient attention to matters beyond the railways themselves. It also cannot be said to be a strategy, since it fails to set out clear objectives and the means to achieve them.

3. For example, there is no analytical cross-referencing to the Government’s proposed road user charging arrangements or to aviation policy, and there is minimal consideration of the interaction with wider land use development opportunities and prospects. It is right to identify the need for additional capacity on our railways, but wrong to conduct the analysis of options without regard to the wider implications of the choices that it identifies.

4. The White Paper risks creating a position in which Government fails to take on board the policy position that its adviser, Sir Rod Eddington, elucidated to the Transport Committee on April 16th 2007, when he made clear that he was not at all persuaded of the virtues of new technology (Maglev) for Britain, but, equally, that “conventional” high-speed rail was appropriate. He said that we should start planning now for high-speed rail and do so in the London—Birmingham—Manchester corridor.

5. Greengauge 21’s evidence here is concerned specifically with the issue of high-speed rail and its treatment in the White Paper. On this subject, we observe that the White Paper has very significantly (and helpfully) reduced the range of options that it believes need to be considered to provide an uplift in capacity in the longer term. In particular, the White Paper points out correctly that diverting rail freight on to a purpose-built freight-only railway will provide only limited capacity relief to the existing network because very little freight is currently able to run during the six hours of commuter peak periods. It draws on the analysis of Professors Kemp and Smith to dismiss the idea of a Maglev system. It refers to advice from both Network Rail and London & Continental Railways to conclude that it would be wise to avoid, where possible, the disruptive effects of new line construction immediately alongside existing tracks. This leaves one solution to be taken forward, (it says “in the longer term”, when it should, in our view, have said “for the longer term”), namely the building of a new railway.

6. There are two specific areas covered in this evidence:


— The question of why, in the face of the evidence that the Department of Transport has assembled on demand growth, have ministers seen fit to defer any serious consideration of new line capacity for up to five years

— The basis for its rather surprising conclusion that it might be better to build new line capacity for current (200km/h) speed operation rather than the high-speed standard adopted elsewhere (300km/h + ).

DEMAND GROWTH AND CAPACITY NEEDS

Demand growth and dealing with uncertainty

7. The passenger demand forecasts prepared for the White Paper show that long-distance demand is expected to grow by 73% to 2030 and the implications of this are expected to be acute crowding in the peak period on much of the mainline network, including York—London, Birmingham—London and Bedford—London. The level of growth forecast is lower than has been experienced over the last two years, and might be appropriately considered to be a cautious estimate. It takes no account of the possible implications of a tightening of capacity or of application of user charges on competing modes.

8. Having set out this analysis, the White Paper then states that rail demand cannot be predicted with any confidence over a 20-year time horizon because:

— Government actions to achieve carbon reduction targets might have implications for travel demand;
— Rail demand will be influenced by developments on other modes (including remedial action to tackle congestion); and
— Route-level planning cannot be carried out because some cities will grow faster than others.

9. The first and second of these concerns would lead to higher demand forecasts, an observation that the White Paper seems reluctant to allow. The third worry hasn’t stopped the Department for Transport being able to make long term planning decisions on major investments in the past. The problem in the White Paper is that the doubts that seem to haunt the report’s authors are used as a reason why decisions for the longer term cannot be taken now. This is predicated, it seems, on a mistaken belief that in a few years’ time the outlook for the next 20–30 years will be clearer.

10. The issue of uncertainty in demand forecasting is routinely dealt with by the Department of Transport. Uncertainties over economic growth or road user charging are normally assessed through scenario analysis or sensitivity testing. Indeed, the Atkins3 rail demand forecasts carried out in support of the Eddington Transport Study tested the impact of road pricing on inter-urban rail demand.

11. There is a one further important point. The demand forecasts used to support franchise bids are not published, but it is clear from the recently accepted tenders for the Intercity East Coast, East Midlands (Midland Main Line) and Cross Country franchises, that the Department of Transport has agreed a set of franchises that, within 7–8 years, will necessarily have resulted in very substantial demand growth on longer distance routes. It seems unlikely that these are consistent with the modest level of annual demand growth set out in the White Paper analysis.

Capacity

12. The White Paper identifies a set of worthwhile initiatives that will lead, over the next 10 years or so, to the creation of significant extra capacity on the national rail network. In the London area, this is derived largely from the Thameslink scheme, from the deployment of longer trains and from fine-tuning timetables, as identified in Network Rail’s Route Utilisation Strategies. On the longer distance main lines, there are further capacity increases already planned for the West Coast Main Line (in December 2008, with potentially more to follow), and the Reading scheme on the Great Western Main Line will relieve a critical bottleneck. The introduction of new, longer, Intercity Express trains will also add more seats/hour.

13. On the routes where major infrastructure investment is planned, revised improved timetables will follow. These in turn will generate additional passenger demand, of course. So too will the introduction of better, less crowded, rolling stock, such as through the Intercity Express Programme. However, the latter clearly will not themselves produce enough extra capacity to meet even the cautious levels of additional demand identified in the White Paper.

14. It would seem, therefore, that implicit in the White Paper analysis is an assumption of further infrastructure spend focussed on network capacity increases, and beyond the schemes identified for the 2009–14 period. Such expenditure would provide for the removal of “flat” junctions—replacing them with grade-separated designs—and introduce four track sections in place of two tracks, as has been done on the Trent Valley section of the West Coast Main Line. The East Coast Main Line, in particular, would need a major line of route upgrade, the costs of which would likely be measured in £ billion.

15. This is really where the White Paper represents a missed opportunity. Without the clarity that the rail industry needs, there will be a tendency to assume that there will have to be, by default, an ongoing programme of line-of-route enhancements. These are expensive and disruptive. Their costs need to be explicitly set against the costs of new line high-speed line construction.

16. The lead times for development of a new high-speed railway are necessarily long: 15 years would be a reasonable estimate of the time required for planning, acquisition of legal powers and construction. High Speed One will have taken nearly 20 years from inception to fruition. But such developments cannot be efficiently planned as free-standing projects, otherwise the savings available from reduced expenditure on the existing infrastructure will go unrealised. That is where the lack of strategy in the White Paper could have harmful financial consequences.

17. Greengauge 21 does not believe that there is a good reason to defer a decision to proceed with High Speed Two. However, Government has, through the White Paper, opted for deferral. It should, in these circumstances, at the very least take the necessary steps to protect the critical sections of alignment from encroachment by development. Government should be pressed to identify and protect the key sites needed for high-speed rail as a matter of urgency to avoid cost inflation. There are critical pieces of land, particularly in city centres, where the available sites for new stations/station capacity and the routes into them are limited. These factors point to a need to start planning new rail capacity now, not in five years time.

The Case for Higher Speed

18. The White Paper’s analysis of the case for 300km/h+ as opposed to 200 km/h speed operation of any new line is, in our view, deeply flawed. Essentially it runs three arguments:

— That it’s already possible to travel “there and back” in a day for business meetings in Britain, so there’s no need for faster speeds.

— It adduces evidence that passengers place a low priority on speeding up their journeys.

— It has discovered new evidence that suggest that there is a carbon penalty associated with higher speeds that make it a less attractive proposition than today’s inter-city operation in terms of emissions.

19. None of these arguments stand up to even a cursory examination, and we shall consider them in turn.

20. The assumption that today’s business travel is based on “there and back in a day” is simply out-dated. Business conducts itself in short time-slices, of typically one hour. Proximity is valued because it allows these interactions to take place. The Department of Transport has published guidance on how these effects, known as “agglomeration” effects, should be calculated. No such assessment seems to have been taken into account by the authors of the White Paper, but the Northern Way has since conducted and published an initial assessment of the agglomeration benefits of a high-speed network. It concludes that this is worth £10 billion to the economy—and this is in addition to the very substantial value of the time savings of high-speed rail as measured using “conventional” transport appraisal techniques. The latter have been assessed in a very substantial piece of work initiated carried out for the Strategic Rail Authority and in the possession of the Department for Transport, undertaken by Atkins et al.

21. Elsewhere in Government, and in the regions and the major cities, the aim is to provide for economic growth, especially in those sectors of the economy that rely on reliably fast face-to-face business contact. This is partly a matter of close connections between businesses located in Britain and partly, as Sir Rod Eddington pointed out, a matter of having access to the “global gateways”, of which Heathrow Airport has been pre-eminent in Britain. A growing, competitive economy needs the better transport links that high-speed rail offers. It’s perhaps the narrow perspective that the White Paper has taken that wrongly allows it to conclude that there’s no need for change.

22. When the White Paper (p 62) claims that faster journeys are not a priority for passengers, it draws on recent research carried out for Passenger Focus, which, in summary places “journey time” in 13th position amongst a list of 30 possible ways in which a journey can be improved. We checked the Passenger Focus research (carried out for them by MVA) and discovered that the “faster journeys” option was presented in the survey was a reduction in journey time of five minutes. In other words, the research had not been trying to address the type of step-change improvement that high-speed rail would bring at all. It should not have been used in the way that it has been in the White Paper.

23. The third argument that the Government has used to support its conclusion on conventional speed for new line capacity is concerned with carbon emissions. It refers to work that was commissioned from LEK, published when the White Paper was released (“Summary of Key Research and Analysis”) which shows, at page 86, a comparison of the carbon emissions per passenger for a journey between London and Edinburgh/Glasgow. Figure 1 reproduced below, shows high-speed rail to be worse than the Department of Transport were expecting, but then the analysis is clearly based on an erroneous assumption.

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24. Comparisons of carbon emissions/passenger between modes are affected in particular by assumptions on vehicle occupancy (and access modes). In this case, the chart in question is, thankfully, explicit at least about its assumptions on occupancy levels. It assumes that domestic air services on the route achieve a 65% load factor and existing inter-city trains 45%. It then seeks to generate an appropriate assumption for high-speed rail. To do this, it takes the existing per train inter-city demand and allocates it to a high-speed train (these can of course offer higher seating capacity) and deduces that the right load factor to assume for a high-speed train is just 33%. This is plainly wrong: no high-speed train operator would perform so inefficiently. Currently, Eurostar’s London—Paris services achieve an average load factor of 70%, and even taking the Brussels route into account, the two routes together achieve 65%, i.e., twice the level assumed by LEK. Had the level of occupancy been calculated on the basis of referencing actual high-speed train performance, the carbon emissions per passenger would have been halved. This would mean that the carbon emission level is, despite the higher speed, about the same for high-speed rail as it is on today’s inter-city rail and much less than that incurred by domestic aviation.

CONCLUSION

25. We believe that it is clear that the White Paper’s analysis on the question of what speed should new line capacity be provided is flawed and should be ignored in taking forward the proper planning of new line capacity. For the reasons given, we believe that there is no time for a delay in doing this, given the lead times involved and noting again, the clear view on this point expressed by Sir Rod Eddington in front of the Transport Committee on 16 April this year.

October 2007

Memorandum from Passenger Focus (RWP 27)

1. INTRODUCTION

1.1 Passenger Focus, the independent national rail consumer watchdog, welcomes the opportunity to respond to the Committee’s investigation into the Government’s White Paper on rail, published in July.

1.2 We welcome the move from wish list to shopping list. The long-term vision for the railway is backed up by short-term funding commitments, which has the potential to move the railway out of the stop-start investment cycle which has long afflicted its planned development. The acid test of the plans will be whether they deliver a better railway for passengers.

1 Passenger Focus is the operating name of the Rail Passengers Council.
1.3 To assess passenger preference, we undertook research—joint-funded by the Department for Transport—whereby we canvassed 4,000 passengers’ views on their priorities from this strategy. The sample passengers were asked to rank the importance to them of 30 aspects of rail travel. Our comments, therefore, predominantly address the views of these respondents, coupled with the results of the twice-yearly National Passenger Survey (NPS).

1.4 The four major aspects identified from the research are frequency, punctuality, capacity and, in first place, value for money. While the first three of these priorities are at least being looked at positively, the question of value for money has failed to be satisfactorily addressed.

2. Passengers’ Priorities

2.1 Value for money

2.1.1 To find fares topping the passenger poll is no surprise. We have long voiced passengers’ concerns at the complexity of the fare structure and the often poor correlation between the fare paid and the service provided. We welcome the retention of the existing regulated fare rises at RPI + 1%, affecting not only leisure Saver fares but also season tickets.

2.1.2 It is particularly heartening that the regulated Saver leisure fare has been retained. We have concerns at the franchise-specific proposal for any future Saver withdrawal; many passengers make journeys beyond TOC boundaries and could find themselves considerably inconvenienced, and out of pocket, if this aspect is not handled delicately. We are also concerned about further TOC-imposed restrictions on the availability of Saver tickets.

2.1.3 We remain concerned at the RPI + 3–4% increases in recent franchise agreements. Increases at this level suggest that unregulated fares will serve to fund new investment. Greater passenger protection is needed against the effects of such rises.

2.1.4 We welcome the transparency of publishing these figures within the franchise process.

2.1.5 The shift towards increasing the passenger element of the subsidy ratio is a matter of concern. If the emphasis of funding is to fall more heavily on passengers, they will expect considerably more for the fares that they pay.

2.1.6 Proposals to rebrand ticket types, on which Passenger Focus undertook considerable work earlier this year, may well reduce the complexity of the fare structure for many passengers, though it will have little or no impact on reducing their fares.

2.1.7 We also have concerns over the clash between franchise strategy and OFT competition law. It is our belief that there is a risk that a franchising policy which seeks to minimise subsidy/maximise premia at a TOC level will fall foul of competition law which seeks to prevent “excessive” pricing.

2.1.8 We remain convinced of the need for industry to reduce its overall costs and for this reduction to be passed to the passenger in the form of lower fares.

2.1.9 We have submitted two responses to the Transport Committee’s invitation to provide evidence on fare-related subjects:
   — evidence, as yet unpublished, towards its investigation in March this year; and
   — evidence towards the 2005 investigation into fare structure and price levels.

2.2 Frequency

2.2.1 Passengers will be disappointed by the DfT’s admission that maximising efficient use of the railway by enhanced train frequency has only limited scope, though the admission of the need to enhance infrastructure to achieve some frequency improvements is welcome and an acknowledgement of the extent of the task.

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2 Rail Passengers’ Priorities for Improvements, Passenger Focus, April 2007. Data from this research also features in the DfT’s White Paper.
3 NPS provides a network-wide picture of passenger satisfaction with rail travel. Opinions are collected twice a year from a representative sample of some 25,000 passenger journeys. Passengers’ overall satisfaction and, in particular, satisfaction with 30 specific aspects of service can be compared over time.
6 How fair are the fares? Train fares and ticketing, Rail Passengers Council, evidence to the Transport Committee, October 2005.
2.3 **Punctuality**

2.3.1 Targets, at challenging levels—92% by 2014—are very welcome, as is their overall similar level across the route types: London and South East, regional and intercity. We still press for greater disaggregation within route groups, however, to ensure that poor performance on one part of a larger group is not masked by good performance elsewhere, avoiding a skewed overall picture. Passengers want clarity and transparency of performance recording.

2.3.2 A target of 25% reduction in the number of delays over thirty minutes will be welcome.

2.4 **Seat availability and capacity**

2.4.1 We acknowledge the very real problems of matching on-train accommodation with demand at peak periods.

2.4.2 We welcome the fact that nationwide load factors are being considered, but need greater detail over what this bodes and how firm the target is. In any case, the need for adequate seating for non-peak use remains and for those passengers who cannot stand when travelling.

2.4.3 We welcome the commitment to additional rolling stock. The provision of 1,300 carriages is a major investment in addressing crowding and increased demand, yet it remains to be seen how quickly this new investment can be introduced and for how long it will be effective in addressing demand. The effect which deployment of these new vehicles has will depend on the locations where they are introduced. Slow introduction and/or continuing increases in demand could mean that this new capacity is soon saturated. Consideration also has to be given to the cascade of existing rolling stock or indeed the eventual withdrawal of life-expired trains which cannot be refurbished at economic cost.

2.4.4 The strategy very much addresses the current state of the railway. There is very little longer-term strategy evident: there is little reference to High Speed Lines, 16-car trains or double-decker stock to slash crowding and match growing demand. The response is pragmatic, but sight cannot be lost of the fact that planning in the rail industry has to be long-term due to its long implementation times. Decisions cannot be postponed for too long on how to proceed; inevitably, major new infrastructure projects will be required.

3. **Safety and Security**

3.1 Passengers take for granted that the railway will be safe and secure. Passenger Focus submitted an as yet unpublished paper to the Commons Transport Committee drawing together the evidence emerging from recent research.

3.2 We believe that in safeguarding the security of its passengers the rail industry currently performs poorly by comparison with other comparable service sectors, eg retailing. We press for stations to be staffed at all times that trains call, not only to provide tickets and information, and to protect revenue, but equally to offer a reassuring human presence which enhances passengers’ perception of security and acts as a deterrent to crime and disorder. To achieve this, staff must be visible and approachable, conduct regular patrols and be trained in the skills necessary to exercise authority when required and to demonstrate that they are fully in command of the premises. They should be invested with the legal powers (eg under the police accreditation scheme) necessary to allow them to discharge this role effectively.

3.3 Providing surveillance and a sense of security to passengers should be part of the “day job” for all station staff, not left to specialist teams whose members are necessarily restricted in their number and deployment.

3.4 We believe that the role of staff should be complemented, not replaced, by technology and design (such as clear sightlines and good lighting). We support initiatives such as the Secure Stations and Secure Car Parks schemes, but believe that their effectiveness (and entitlement to continuing accreditation) should be related to their measured impact on passengers’ perceptions of security, not simply a checklist of physical features. We therefore welcome and encourage the active participation of the rail industry in local community safety partnerships, and its engagement with all relevant agencies working in this field.

3.5 There should be a clearly located source of authority within the industry partnerships charged with the responsibility of championing such activity in each region, and that promoting specific security initiatives (including station staffing) should become obligatory upon operators through the franchising process.

3.6 We welcome the introduction of CCTV on trains, and other innovations such as the more accessible placing and more prominent labelling of security alarms. But, again, these should be seen as adjuncts to proper staffing cover, not as substitutes for it. On-train staff must be visible and approachable, walk through the train regularly and be trained in the skills necessary to exercise authority and to demonstrate that they are fully in command of the train.

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7 *Personal Passenger Safety in Railway Stations*, Passenger Focus evidence to the Transport Committee, March 2006.
4. **Other Areas Covered in the White Paper**

4.1 **Information about delays**

4.1.1 Joint research undertaken by us and the industry into passengers’ priorities for information provision\(^8\) underlined the importance which passengers attach to being kept informed, especially when disruptions occur.

4.1.2 Little reference to this is made in the White Paper but it is an area which must be addressed given the possessions strategy. Major projects, such as Thameslink and the remodelling of Reading and Birmingham New Street stations will require significant information campaigns to give advance notice as well as to advise on train service alterations during the implementation when disruption will be at its greatest.

4.2 **Ticket queue lengths**

4.2.1 That this appears so high up the list is an indication of both increasingly long queues at station booking offices and at the ticket vending machines (TVMs) at unstaffed stations (which often exceed the three- or five-minute target waiting time), the penalties imposed on passengers who are willing to buy tickets but prevented from doing so in reasonable time.

4.2.2 We welcome the emphasis on finding technical means to enable ticketing to expand to mobile phones, at-home ticket printing and smartcard options. However, it is important that this is not a technology fix to suit the industry. Passengers must be happy with and able to use the new formats easily and willingly.

4.2.3 The potential for Smartcard technology to play a part through application to longer-distance journeys, whose walk-up fares will usually be considerably dearer than for short-hop urban journeys, remains to be seen. Nevertheless, it strikes us that the printed card type of ticket will remain in use for some considerable time yet.

4.2.4 A pilot research project was undertaken last year to investigate how effectively queuing-time targets are being achieved at a variety of sales outlets\(^9\). This research is continuing this year.

4.2.5 We have concerns at the suggestion of ticket retailing becoming less labour-intensive. Some passengers will still need assistance booking tickets, seeking advice on the appropriate ticket to buy, looking for information on complex journeys, seeking refunds on tickets where trains are cancelled/delayed etc. Machines, however sophisticated, cannot fulfil those needs. Also, not all tickets appropriate to the journey which a passenger might be making are available on TVMs (eg group tickets, Plus+ Bus add-ons, tickets to stations beyond the immediate area, extension fares for zonal tickets, tickets for journeys starting on a subsequent day etc) resulting in some passengers paying higher fares than necessary. For these reasons, the need for a sufficient number of ticket offices and station-based retail staff will continue.

4.3 **Maintenance and comfort of trains**

4.3.1 Passengers now expect a much improved level of comfort and facility aboard trains. Maintenance to ensure that the train can operate safely is a given.

4.3.2 Technological advances are such that passengers now expect access to facilities such as “WiFi” aboard trains, in addition to at-seat plugs to recharge their personal electric gadgetry (eg laptops, mobile phones). Many passengers have wide experience of travelling by other modes and expect the same level of comfort and facility aboard trains, especially on longer-distance journeys.

4.4 **Environment**

4.4.1 We welcome the recognition of the need to reduce CO\(_2\) emissions and that the entire industry has to play a role in achieving this goal. We understand the lack of specific targets and the concept of an industry-wide approach led by train operators rather than government, but government must remain alert.

4.4.2 Our recent research\(^10\) shows that while passengers do not necessarily consider the “green” aspects of rail as a priority when choosing their travel mode, there is a number of quick wins from small measures which the industry could achieve:

- bins for recycling litter;
- low-energy bulbs;
- better regulation of on-board temperature to level appropriate to weather conditions;
- cycle facilities at station and on trains; and


\(^9\) Ticket Office Mystery Shopping Report, Passenger Focus, November 2006.

— reducing energy consumption: from regenerative braking to ensuring that lighting is switched off above unoccupied seats with individual lighting and at stations when natural light is adequate and when services have ceased for the night.

4.4.3 Vegetation clearance by Network Rail needs to be undertaken in an environmentally-friendly manner. Encouraging the industry to ensure that it maintained tidy and litter-free platforms, embankments and track beds prompted us to produce advice for passengers on how to ensure that the industry clears litter. 11

4.4.4 We recognise that the drive to encourage modal shift from less environmentally-friendly modes of transport to rail may have significant unforeseen implications for demand for rail capacity. Therefore, we reiterate our concern (see 2.4.2) that more planning is needed now for long-term infrastructure enhancements.

4.5 Accessibility

4.5.1 Recent improvements to station accessibility are welcome and overdue. The commitment to continuing this work, recognising the ageing population and the need to do so to make the rail network more attractive to all users is welcome.

4.5.2 We have just completed a research project in the London and South East area, details of which will be published later in October, into the efficiency of the Assisted Passenger Reservation Service 12. The principal findings include:

— on half of all outward-leg journeys, the booked assistance failed to materialise;
— on only two-thirds of journeys were passengers helped to alight from the train, despite assistance having been booked;
— mobility-impaired passengers, who were not wheelchair users, encountered more difficulty in boarding the train than visually impaired passengers; and
— the level of understanding by rail staff of the significance of sensory impairments, compared with physical disabilities, is very low.

4.5.3 On many occasions it was clear that staff had provided an excellent service, but training issues have been revealed as a result of this mystery shopping exercise.

4.6 Stations

4.6.1 So as to be fully informed of passengers’ needs and expectations at stations, we undertook research 13 to glean their views. Despite some high-profile major schemes in recent years, stations are still the Cinderella of the network, both the standard of the fabric, the facilities at many locations and the means of reaching stations from home or office.

4.6.2 The endorsement of station travel plans to provide a package of environmentally friendly access options is welcome. Station travel plans are not just about bus services, which might not prove themselves on purely economical terms, for instance, serving stations but also the availability of car parking, as well as cycling and walking options. The jointly sponsored process between the local authority, train operator and Network Rail is voluntary and dependent on local authorities recognising station access as a priority.

4.6.3 Passenger Focus encouraged local authorities not to neglect the rail services in their area by incorporating them into their local transport plans 14.

4.6.4 Passenger Focus commissioned research 15 to investigate and understand passengers’ station access needs and especially the demand for car parking at stations, in the Greater Anglia Route Utilisation Strategy (RUS) area. The study comprises several elements looking at a range of passengers’ “transport to the station” needs, with case studies. The policy implications flowing from this include:

— the need for investment to encourage walking or cycling to the station (including better lighting, CCTV coverage, signage and cycle parking) will have a positive result in urban areas;
— assuming no major change in transport modes, demand for car parking will significantly outstrip supply—only car parks currently less than 80% full will have space left by 2016;
— car parks full in the peak are barriers to greater off-peak train usage;

12 Mystery Shop of the Assisted Passenger Reservation Service offered to rail passengers with disabilities, Passenger Focus, October 2007: Phase I looked mainly at shorter journeys in the London and South East England area. A possible Phase II may assess efficacy on longer-distance routes and on other services elsewhere in the country.
13 What passengers want from stations, Rail Passengers Council, June 2005.
as car parks reach 90%+ capacity, passengers who travel at the edge or after the peak will be encouraged to travel earlier to get a parking space and probably paying a higher fare for their journey as a consequence; and

— showing parking space availability in real time on websites/text services would allow passengers to make an informed choice.

4.6.5 Dissatisfaction with stations car parking is also well illustrated by the National Passenger Survey, with satisfaction levels reaching just 46% in 2007.

4.6.6 The £150 million Station Improvement Programme is welcome. However, with spending at each station in the scheme limited to £1 million, every penny has to be spent wisely. We are already working with the industry to ensure that passengers’ views and needs are kept to the fore.

October 2007

Memorandum from Astral Developments (RWP 28)

1. EXECUTIVE SUMMARY

1.1 The use of rail freight is growing, and its growth is predicted to continue in the next ten years. Rail freight has a material advantage over road freight by reducing road congestion, making the roads safer and reducing overall CO₂ emissions. Astral Developments recognises the Government’s commitment in the Rail White Paper to the further development of rail freight in order to achieve economic, social and environmental goals.

1.2 Astral Developments has submitted proposals for the development of a Strategic Rail Freight Interchange (SRFI) on the site, and surrounding area, of the former Parkside Colliery, near St Helens. Rail terminals are an essential part of getting freight off roads and on to trains. The prime purpose of the Parkside SRFI is to transfer goods from road to rail on a large scale.

1.3 Given the Government’s commitment to a greater number of freight trains on the rail network, an increase in the level of freight traffic through Parkside is likely to occur regardless of whether the SRFI is built. The development of the interchange ensures that the increase in freight movements takes place in the context of solutions to mitigate the externalities of increased freight movement, such as noise.

1.4 We support the Government’s commitment to develop infrastructure schemes in order to ensure that the benefits of rail freight are realised. However, we would stress that in order to ensure the development of appropriate infrastructure capable of supporting the Government’s future plans for the expansion of rail freight, a joined-up approach across Government departments towards planning policy will be vital.

2. INTRODUCTION

2.1 Astral Developments is wholly owned by Prologis, who are the UK’s largest developer of warehousing facilities, including the UK’s most successful SRFI at Daventry (DIRFT). Astral has submitted planning applications to St Helens Borough Council and Warrington Borough Council for the development of a Strategic Rail Freight Interchange (SRFI) on the site, and surrounding area, of the former Parkside Colliery.

2.2 The proposed scheme for a SRFI at Parkside represents a unique opportunity for the local area. It will demonstrate the ambition and vision that exists locally in terms of delivering a major national infrastructure project.

2.3 As the White Paper identifies, the transfer of freight to the railway network will help reduce road traffic movements and congestion on motorways across the country. Rail terminals are an essential part of getting freight off roads and on to trains. The prime purpose of the Parkside SRFI is to transfer goods from road to rail on a large scale. This is expected to result in a significant number of HGVs being removed from the national motorway and trunk road network every year. The proposed facilities at Parkside represent the largest inland rail-served Strategic Rail Freight Interchange in the UK. Parkside will remove an estimated 100,000,000 HGV miles from Britain’s roads per annum and therefore significantly reduce carbon emissions, helping to protect the environment in the long term.
3. GROWTH IN RAIL FREIGHT

3.1 Astral welcomes the recognition in the Government’s White Paper that there is currently a revival in the use of rail freight, due to growth in certain sectors, increased road congestion, and the improved quality, reliability and costs of rail.

3.2 We also welcome the recognition that rail freight will continue to grow over the next ten years, and that this growth needs to be supported by the development of a Strategic Freight Network (SFN) to provide for “an enhanced core freight network” which can provide “greater capacity, reliability and availability”. It is vital that for the SFN to succeed in its support of the predicted 30% growth in freight carried by rail that adequate and sustained investment is made to the infrastructure of the network.

4. CONTRIBUTION OF RAIL FREIGHT TO ENVIRONMENTAL GOALS

4.1 Astral welcomes the reference in the White Paper to the fact that rail freight contributes to the Government’s economic, social and environmental goals, by reducing road congestion, making the roads safer and reducing overall CO2 emissions.

4.2 The growth of road transport is clogging the vital road arteries of the UK and the European mainland, raising serious environmental concerns about pollution and congestion. Rail freight has a material advantage over road freight in terms of carbon emissions. The average CO2 emissions per tonne kilometre of rail freight is 23g whereas for HGVS, it is 178g.

4.3 Alongside the environmental role that rail freight can have in terms of reducing carbon emissions from road use, rail freight terminals can also be used to promote environmental goals in other ways. The proposals for a SRFI at Parkside include more than 225 acres of land (over 30% of the site area) being dedicated to landscaping and biodiversity, including the creation of a new Countryside Park.

4.4 In addition, to ensure the Parkside proposals are highly sustainable, careful consideration has been given to ensure public transport is upgraded to encourage those who work or visit the rail freight terminal not to use private cars. As part of the proposals, we are proposing to upgrade the existing nearby Newton-le-Willows train station, to establish a free bus link between the station and the site, and to create, re-instate or upgrade six further bus routes to serve the site.

5. NETWORK CAPACITY AND CONSTRAINTS

5.1 The White Paper points to the importance of making the best use of existing network capacity. The main feature of the Parkside SRFI that will ultimately lead to its success is the presence of both good road and rail connections. The existence of a current rail connection also reduces both costs and time when it comes to delivering the scheme.

5.2 The Government has recognised that the current rail network imposes a number of limitations on freight traffic including the existence of areas where there are high levels of interaction between passenger services and freight. The timetabling of trains through Parkside has been planned in order to work alongside existing train movements through nearby Newton-le-Willows station.

5.3 Given the Government’s commitment to a greater number of freight trains on the rail network, an increase in freight traffic through Newton-le-Willows is likely to occur regardless of whether Parkside is built. However, the development of an SRFI at Parkside ensures that this increase takes place in the context of solutions to mitigate the externalities of increased freight movement, such as noise. The Parkside proposals include putting in place protective acoustic fences in all noise-sensitive locations in the surrounding area to mitigate this noise.

5.4 The White Paper also states that the existing infrastructure does not readily lend itself to the operation of longer trains, and that this problem is made worse by the configuration of current freight terminals. Parkside will overcome this problem through the provision of a train acceptance system to be installed between the site and the Crewe signal box, which will be commissioned by Network Rail, and enable Continental length trains to safely stop on the tracks between the two points.

5.5 We support the Government’s commitment, both in the White Paper through the delivery of the Strategic Freight Network, and in the Government’s Strategy for “Sustainable Distribution”, to develop infrastructure schemes in order to ensure that the benefits of rail freight are realised. To gain the environmental, sustainability and economic benefits of rail freight, essential infrastructure, including SRFIs, must be put in place. Without such intermodal access points to and from the rail network, the ability of rail to remove freight traffic from roads will be materially restricted.

5.6 However, we would stress that in order to ensure the development of appropriate infrastructure capable of supporting the Government’s future plans for the expansion of rail freight, a joined-up approach across Government departments towards planning policy will be vital. We support a role for local communities in the planning decision making process. Astral has worked closely, and will continue to do so, with the local community and local groups in the St Helens area in the development of the proposals for Parkside. At the same time, it is important that Government departments are able to work closely with each other to ensure the progress of major infrastructure projects, such as rail freight terminals vital to the...
achievement of the social, economic and environmental goals of increased rail freight. This will include an important role for other departments such as the Department for Communities and Local Government, as recognised in the proposals for reform of major infrastructure planning made in the recent Planning White Paper.

5.7 We welcome the Government’s commitment to the industry in its plans for developing and taking forward the delivery of the SFN. This will continue to remain important in the delivery of the SFN’s aim to give rail freight operators and port and terminal developers a more stable environment in which to plan for the increased use of rail.

6. Conclusion

6.1 Astral Developments supports the Government’s commitment in the Rail White Paper to the further development of rail freight in order to achieve economic, social and environmental goals. We also support the Government’s commitment, both in the White Paper through the delivery of the Strategic Freight Network, and in the Government’s Strategy for “Sustainable Distribution”, to develop infrastructure schemes in order to ensure that the benefits of rail freight are realised. To maximise the ability of rail to remove freight traffic from roads and to gain these benefits, essential infrastructure such as SRFIs will be crucial. However, we would stress that in order to ensure the development of appropriate infrastructure capable of supporting the Government’s future plans for the expansion of rail freight, a joined-up approach across Government departments towards planning policy will be vital. Only by adopting such a cross-departmental approach will such major infrastructure projects be allowed to progress.

October 2007

Memorandum from London TravelWatch (RWP 29)

INTRODUCTION

1. London TravelWatch is the official watchdog organisation representing the interests of transport users in and around the capital.

2. We welcome the Government’s publication of a long term strategy for the railways and, through the accompanying High Level Output Specification (HLOS) and Statement of Funds Available (SOFA), its commitment to funding investment up to 2014.

3. Our sister organisation Passenger Focus speaks for rail passengers on a nationwide basis. London TravelWatch’s primary focus is on issues which substantially affect travellers in the London area. But it should be noted that “two-thirds of all UK rail journeys start or finish in London, and Londoners account for 50% of all UK rail journeys, so any improvements to the national infrastructure impact London directly.” (1)

4. The strategy contains much that is good. Examples include:
   — Authorisation of the Thameslink programme.
   — Extensive plans for extra capacity by lengthening trains and platforms.
   — Proposals to improve the quality of stations, including access and cycle parking facilities.
   — A clear statement of standards for improving other facilities for passengers—eg information before and during journey—and showing how the government expects the industry to achieve these.
   — Adoption of some of the recommendations of the Transport Committee’s own How fair are the fares? report.

5. However, we have a number of continuing concerns, and this submission is intended to highlight these.

INDUSTRY STRUCTURE

6. The present structure of the industry has evolved in a series of responses to specific failings of the privatisation model introduced around ten years ago. Whilst much is undoubtedly better than in the early years of franchising, this is largely because tighter contracts and more detailed regulation have been introduced. Although this has protected passengers from some of the downsides of market-led decisions in what is inevitably—at least around London—a capacity constrained system, it has made for very slow decision making (because many parties are involved and contracts often have to be changed). The industry structure is also often blamed for the rise in costs which has meant that, whilst many fares have risen substantially and public subsidy has done so too, the additional money flowing into the industry has not yielded a proportionate increase in capacity or quality. In short, there are now “fewer bangs for the bucks”. 
7. We have no quarrel with the proposition that the industry has experienced quite enough change in the recent past. The White Paper sets the course for Network Rail’s control period 4, up to 2014, and we believe that the industry should now be left to get on with the task which Government has given it.

8. But the White Paper purports to be a 30 year strategy, and in this context it is disappointing that there is no suggestion that the relationship between industry performance, costs and structure should be reviewed to discover whether things could be done better in the longer term.

9. There is no such thing as a perfect organisation, but industry commentator Christian Wolmar (2) puts the issue succinctly by saying that “the best possible structure is for government to allow a coherent and united railway organisation to take the day to day decisions in running the network, while working together on strategic planning. Importantly, too, the railway has to be given long term financing plans.” He argues that whereas under British Rail it had the first but not the second, now it has the second but not the first.

10. It is important to know if improvements to the railways can be achieved more quickly and at less cost than now. London TravelWatch suggests that there should be an informed public review of this topic during the next few years in order to chart the course of the industry for the funding of Network Rail control period 5 (2014–19) and beyond. Very relevant to such a review will be the experience of the practical impact of the Mayor’s additional powers over rail policy in the London area, which have recently been announced.

FARES

11. A key issue for passengers is the level and structure of fares. The Transport Committee’s report How fair are the fares? made many recommendations about structure, which chime with London TravelWatch’s aspirations. The White Paper adopts some, but not all of, the Committee’s proposals.

12. A source of particular concern is that whilst the Government has acceded to calls for standardisation of ticket types and names, it has not demanded standardisation of their associated conditions of use. Thus, for example, Saver time limits will still be allowed to vary widely between operators, and they will still be free to impose restrictions on the use of Cheap Day tickets for returning from central London during the afternoon and early evening.

13. There is also a serious issue which may arise within London because although train operators are now committed to introducing Oyster pay-as-you-go, they are not committed to offering the discounts (over cash fares) which are the hallmark of this very popular facility. The Government may regard this a local issue to be resolved by Transport for London, perhaps as part of aligning National Rail fares with those on the Underground. However, whilst it clear that the Mayor will have the necessary powers, it is not yet clear that s/he will have the funds which might be required to achieve this. We fear that there may be a significant public backlash if pay-as-you-go does not offer discounts on National Rail too. This will adversely affect take-up and thus limit the benefits to the industry and its passengers (eg in shorter booking office queues) which Oyster offers.

14. A second issue on fares is the balance of railway funding between fares and taxes. Although the railways have received public subsidy in one form or another for around eighty years, this is a subject which has gone largely undiscussed. It is therefore to the Government’s credit that the white paper tackles this directly and declares its belief that the subsidy requirement should “return closer to historic levels.”

15. What is not to its credit is that it offers no clarity as to what the appropriate “historic level” may be, nor any evidence to support its stance—apart from the rather simplistic assertion that the taxpayers’ contribution should be influenced by the fact that most British citizens do not use trains. This is a debatable claim, and is arguably of no more validity than (say) the proposition that prisons should not be state funded because most citizens do not use them either.

16. The truth is that “historic levels” of subsidy have varied considerably over the years, and have been the consequence of short term political and public finance pressures rather than deriving from a clear view of the role of railways and the degree to which their external benefits (ie those which cannot be captured in the fare box) justify a taxpayers’ contribution. Even if there had been an objective long term policy in the past, the rise in road congestion and the increased awareness of environmental issues means that past policy cannot be assumed to be appropriate for the future.

17. This is a vital issue which lies at the heart of public policy towards railways (and public transport more generally). The Transport Committee itself recognised this in How fair are the fares? when it said that “... the dogged pursuit of a policy to minimise public subsidy risks the long-term viability of rail services and undermines the proper public service function of the railways.”

18. The long-term development of the railways depends critically on their level of usage, and this is necessarily heavily influenced by the proportion of costs which are borne by passengers. London TravelWatch believes that this decision should be based on an up-to-date consideration of all the relevant social, environmental and economic impacts, rather than by relying on a return to past practices which were themselves arbitrary and lacking in coherence. We suggest that this is another topic which should be reviewed in order to help determine policy for Network Rail’s next control period starting in 2014. As the issue must be resolved by a political choice, such a review would best take the form of a politically-led public debate.
ACCESSIBILITY

19. A significant success in the past ten years has been the cultural change—encouraged by the Disability Discrimination Act—in the industry’s attitude to the physical accessibility of its system. Step-free facilities between street and platform are now obligatory for all new construction, and for significant station renovations. With its new emphasis on improving stations, the White Paper gives a welcome further boost to this process.

20. But there is one element which is still missing, despite London TravelWatch’s repeated efforts to promote the issue. This is the question of level transfer between platform and train. The value of this facility—which benefits all passengers, not just wheelchair users or others with mobility impairments—is now well established on the Docklands Light Railway, the Jubilee line extension on London Underground, the Tyne and Wear Metro and Heathrow Express. The last two of these, significantly, provide level transfer on Network Rail lines.

21. We believe that the full value of step-free access to stations can only be realised if there is also level transfer between platforms and trains. To convert the entire system will not be easy, and will take very many years. But it is vital to make a start, and this means initiating a technical investigation aimed at fixing a new standard to equalise carriage floor and platform heights for future new construction.

22. Our experience is that the industry is not prepared to undertake this work on its own initiative, even though (as mentioned) there are at least two examples on the national network where level transfer has already been achieved. We consider that this should be included as one of the strategic aims of Government rail policy.

LONGER TRAINS—BUT THEN WHAT?

23. As the principal means of increasing capacity on London commuter routes up to 2014, the White Paper and the HLOS lay emphasis on investing in longer trains, which London TravelWatch naturally welcomes.

24. To achieve further increases beyond 2014, the White Paper seems to rely on the advent of new radio based signalling and automatic driving technology to raise line capacity by enabling trains to run closer together than is possible with existing systems. We assume this is a reference to the European Rail Traffic Management System (ERTMS) and the European Train Control System (ECTS).

25. However, these systems are as yet very experimental, with only a handful of intermediate level versions in trial use in Europe. A trial system in Britain (without the automatic driving element) is being installed on the single track Cambrian line, but is not expected to be in operational use until 2009. Compared with the simplicity of a low capacity single track route, the technical and operational challenges of introducing such systems on the complex high capacity networks around London are immense. It would be foolhardy to base a key element of Government rail strategy on the hope that they will be operationally proven and reliable in less than fifteen years. It must be remembered that unrealistic expectations of new signalling technology proved to be the rock on which the more ambitious elements of Railtrack’s West Coast upgrade project foundered.

26. London TravelWatch therefore believes that development of ERTMS/ECTS should be paralleled by a programme of improvement to existing operating methods—eg by examining some London Underground techniques—and the possible adoption of automatic driving in congested areas using systems such as SelTrac (3) or Westran (4), some versions of which are designed to be retro-fitted to existing signalling. This would allow breathing space so that the need to meet urgent capacity concerns does not result in pressure to introduce ERTMS/ETCS on key congested commuter routes before they are thoroughly proven to be reliable in such onerous conditions.

27. A further and more immediate issue arising from running longer trains is the question of passenger handling capacity at the London termini. It is not simply a case of more passengers using the stations, but providing sufficient capacity to disperse arriving passengers from the platforms and concourses before extra trainloads arrive. Conventional thinking would be directed at enlarging the “sump” gateline areas around the buffer stops, but in some cases (eg at Liverpool Street, Kings Cross and Paddington) it may be more useful to build or enlarge exits at the country end of the stations to give direct access to nearby offices.

28. This would have an extra advantage in that it would encourage passengers to use the rear carriages on inbound trains. It is always a problem when running commuter trains into a city terminus that there is heavy loading at the front while the back of the train tends to be under-used.
Electrification

29. A controversial feature of the White Paper has been its rather non-committal stance on electrification.

30. The lack of a national rail electrification programme is not a major issue for London TravelWatch as most London commuter lines are already electrified. However, we are disappointed that the recently announced improvements to the Gospel Oak-Barking line (GOB) do not include electrification. Such a scheme would benefit passenger services by enabling them to be operated more economically and to be better integrated with other London

Overground Routes

31. No less important is that, if supplemented by a very short length of electrification near Acton, electrification of the GOB line would enable freight trains running from the ports served by the Great Eastern and Tilbury lines to the main lines north and west of London to be electrically hauled. The better acceleration of electric freight trains is important in terms of line capacity and allows better sharing of the affected routes by freight and passenger trains.

Crossrail

32. The White Paper does not make any commitment to Crossrail, because the bill seeking powers to construct it is still before Parliament and because its funding is still under discussion. We very much hope that this major scheme will be authorised soon.

33. But it is important to understand that, if it is not approved, some elements of it will still be needed. This applies particularly to improved track layouts (and perhaps more electrification) for local services on the Great Western Reading–Paddington route, where it is becoming clear that the present infrastructure is inadequate for the route’s particular need for a mix of fast, intermediate and metro services, as well as increased capacity on the Shenfield metro line into Liverpool Street.

References


Memorandum from Transport for London (RWP 30)

1. Summary

1.1 Transport for London (TfL) welcomes the opportunity to respond to the Transport Committee’s inquiry into the Rail White Paper recently published by the Department for Transport. TfL warmly welcomes the White Paper and the recognition that significant, sustained investment is needed in the railway.

1.2 TfL has been actively engaged in the development of the options put forward by the DfT in its White Paper, and indeed has published its own ideas in Transport 2025: Transport challenges for a growing city. This document sets out a range of measures, which TfL’s analysis demonstrated would bring important benefits to the whole of London, over the period until 2025, and would accommodate London’s growth, a major objective of the Mayor’s London Plan. It also highlighted the capital’s importance to the UK economy.

1.3 The DfT’s White Paper covers the period from 2009–14 (Network Rail’s control period 4), and also outlines the strategic direction in which the DfT wishes to lead the industry thereafter. There is a close alignment between TfL’s recommendations and the DfT’s High Level Output Statement (HLOS)—which forms a part of the White Paper—over this period. TfL is very pleased that the DfT’s analysis has confirmed its own recommendations and that a significant number of capacity improvements are to be made in London over the coming years.

1.4 TfL agrees that the rail priorities for the period 2009–14 are the right ones, and is pleased that the associated Statement of Funds Available (SoFA) provides the necessary certainty on funding for the upgrade work.
1.5 The announcement brings considerable benefit to London in the form of longer trains at peak hours and station platforms lengthened on many London suburban routes, combined with frequency improvements.

1.6 Crossrail is most important transport scheme for London in a generation and is the highest priority for TfL. We are pleased that this important project has finally been given the go-ahead. In short, Crossrail and HLOS together will play a large part in meeting the public transport demand in London identified in Transport 2025.

2. THE WHITE PAPER AND LONDON

2.1 The specific key measurable outputs for London that DfT will purchase from the rail industry will be:

- **Reliability**: 93% (currently around 90%) plus a 20% improvement in significant lateness.
- **Safety**: 3% reduction in safety risk.
- **Capacity**: sufficient to meet forecast demand in 2014 (30% more than now).

2.2 TfL has been working closely with the DfT and Network Rail over the past two years to identify the policies and investment decisions needed to meet London’s future transport needs. TfL’s statement of case document *A rail strategy for London’s future* (part of the broader Transport 2025) informed TfL’s submission to the DfT on plans to accommodate London’s growth, by improving service reliability and increasing capacity on both trains and stations.

2.3 TfL warmly welcomes the approval and provision of funding for the Thameslink Programme. This project will provide both a significant increase in capacity crowding relief to London Underground services. TfL looks forward to further discussions with the DfT, Network Rail and others as the service proposals are refined.

2.4 TfL is pleased that the majority of its recommendations for infrastructure and train lengthening to 10 or 12 cars in London have been endorsed by HLOS, including on the following routes:

- **South Eastern** platforms lengthened to accommodate 12 car trains.
- **Southern** suburban platforms lengthened to 10 cars on some routes.
- **South West Train** suburban platforms lengthened to 10 cars.
- **C2C** Tilbury loop platforms extended to 12 cars.
- **First Great Western** suburban services to be 7 cars from Reading and 6 cars from Slough.
- **West Anglia** inner services extended to 9 cars.
- **Great Eastern** additional peak services.
- **West Anglia, London Midland and Great Northern** 12-car trains.

The schemes identified provide good value for money, and support the London Plan targets.

The commitment to accompany this infrastructure investment with approximately 900 additional rail carriages for London is strongly supported by TfL.

2.5 TfL also welcomes the DfT’s intent to examine ways in which the aspirations and requirements of the Mayor can be accommodated within the current franchise structure (as outlined in paragraph 5.40 of the White Paper), including aspirations regarding frequency, hours of operation, service quality and branding. TfL is committed to working with DfT on an implementation strategy to ensure that a better integrated service to the travelling public is delivered.

2.6 TfL’s aspiration is that the standard of service that will be provided on its own North London Railway Concession—which will start in November 2007—can be replicated in other parts of London. The London Overground will deliver a much improved quality, frequency and capacity of service along the series of routes in north London collectively known as the North London Railway. This will be expanded, in 2010, to include the rebuilt and extended East London Line.

2.7 TfL is also pleased that the DfT wishes the industry to make technological advances through the increased use of smartcards. Simplicity is the form of integration that makes a network understandable to passengers who may not otherwise travel by public transport. A key element of this is the introduction of Oyster pay-as-you-go to all national rail services in the London area. This will provide integrated ticketing with the Underground and buses. There is some reference to that in the White Paper. For example, simplifying ticketing arrangements with four types of ticket (anytime, off-peak, super off-peak, and advance) is a welcome step, especially for the occasional visitor. The current arrangements can be confusing, and clarification will be to the benefit of all.
3. Delivery

3.1 One element of this process which does give some concern is its complexity. TfL recognises the process by which the government states what it wishes to buy, for Network Rail to respond formally through the Strategic Business Plan, and for the Office of Rail Regulation (ORR) to ensure that the plans are appropriately costed and are deliverable. It does seem, however, to be a cumbersome process when all these bodies have been so closely involved in the definition of schemes. TfL hopes that the process will become more streamlined when the development of the HLOS covering 2014–19 is underway. This will allow more efficient use of valuable resources.

3.2 Given that the HLOS programme does not formally commence until control period 4 (in 2009), TfL hopes that funding will be made available by Network Rail through its Network Rail Discretionary Fund or Out-performance fund, for development work to be undertaken on the longer-term schemes identified in this paper in advance of 2009. This will be an important step to ensure the ability to deliver these schemes in 2009–14 and will give greater certainty around the planning process.

3.3 TfL is anxious to ensure that in its examination of the costs and the deliverability of schemes, the ORR ensures that there is an appropriate balance between the operational, maintenance, renewal and enhancement areas of Network Rail’s portfolio. In particular, the SoFA should be seen as the means primarily to funding an enhancement package. Network Rail should be incentivised, as it is currently, to improving its efficiency across its other expenditure activities. TfL would not wish any of the enhancement schemes to be excluded from the finalised scope on the grounds of inefficient use of resources.

3.4 TfL is pleased that the White Paper provides £150 million for a series of improvements at medium-sized stations around the country. It is clear that many stations have not been satisfactorily maintained during the last decade, and many are in urgent need of basic work. It is clear also that this money is intended for enhancement work—not general maintenance and cleaning for which Network Rail is remunerated through the regulatory settlement each five years. To that end, TfL urges the DfT and Network Rail to identify a series of deliverable enhancements to the stations (funded by the sum allocated), in tandem with undertaking the necessary remedial steps to improve a neglected part of the railway (for which Network Rail is already funded). It will also be necessary to consider how the maintenance and renewal of the new station enhancements will be funded after construction, and that this is not a barrier to delivering the most suitable set of enhancements to the passenger.

3.5 TfL has been disappointed with the approach on the £150 million allocated to station enhancements because of the lack of engagement earlier in the process with TfL. It is clear that Network Rail, the DfT and train operators have been in dialogue about the criteria and the proposed stations since the early part of 2007, but it is only recently that TfL—and, we assume, other bodies in a similar position—have been invited to participate in the process. TfL believes that if it had been engaged earlier in the process, it could have been better prepared to make a valuable contribution to the issue.

3.6 TfL however has undertaken an analysis of potential work to enhance station capacity and station facilities and has already begun sharing this with Network Rail and the DfT. TfL believes that investment in stations has often been lacking and that the industry needs to make a co-ordinated effort to improve the quality and security of stations. This is especially relevant in the context of the already-committed Railways for All programme, the many platform extensions proposed in this White Paper, and security initiatives including gating that are more pertinent in this time of heightened national security. It is appropriate to consider an overall package of station improvements at any one time by dint of economies of scale and resource availability.

3.7 TfL welcomes the £200 million that is being allocated, through Network Rail’s Regulatory Asset Base, towards the Strategic Freight Network. Given that the primary purpose of the money is to create a freight network which fulfils strategic aims—such as precipitating mode shift, or running freight trains on appropriate routes where they can run largely unhindered—TfL believes that an appropriate use of this money would be capacity improvements on the Felixstowe–Nuneaton line. TfL has undertaken analysis on the capability of this route to address the freight growth from the port developments at Felixstowe, Bathside Bay and Shellhaven, within its Rail Freight Strategy and it is clear that the development of such a scheme will result in benefits to passenger services (capacity and performance), on the Great Eastern and West Coast Main Lines, as well as the North London Line.

3.8 Whilst TfL welcomes the announcements that have been made about enhancement projects, and acknowledges that Network Rail has a large programme of work to manage over the coming years, TfL would not wish other schemes to be excluded from development. In particular, large schemes of importance to London which may feature in HLOS covering the period from 2014—such as 4-tracking the West Anglia main line and increasing the capacity on the Felixstowe–Nuneaton line for freight traffic need to be planned and developed within control period 4 if they are to be delivered within control period 5.
4. Conclusion: the 30-year strategy

4.1 TfL recognises the benefits of agglomeration in making a strong case for investment in the provision of public transport. Improved rail services are best targeted at areas of dense population and employment. London, Manchester, Leeds and Birmingham are generating denser clusters of jobs, partly driven by good public transport. Development of railways in these cities will complete the virtuous circle, and will strengthen the economies of these cities. Agglomeration is profoundly helpful to public transport, which is far more viable where development is concentrated, as opposed to the dispersed development and the out-of-town shopping centre.

4.2 The White Paper recognises the importance of sustainability and the need to reduce deleterious effects on the environment. Reducing its greenhouse gas emissions is a big challenge for the railway. However, the impact of the Stern report is being seen throughout the industry, and this is reflected in the emphasis given to what rail can do in terms of technology, design, and operating techniques to contribute to that goal. TfL in particular sees the benefits of regenerative braking, lighter trains and freight gauge enhancements towards reducing the overall transport carbon footprint. But in particular, the contribution of the railway towards a reduction in greenhouse gases should be seen as one of the factors resulting from concerted investment in the railway: the capacity measures outlined above may assist in increasing rail’s mode shift, which in turn has a beneficial effect on the environment.

4.3 TfL welcomes the flexibility within the 30-year strategy. Over a long period such as this, it is clearly appropriate, as demand patterns change, technology develops and a greater understanding is gained of the environmental impact, that elements of the strategy may be reviewed in the light of emerging circumstances. In this, the work mentioned on double-decker trains is relevant: TfL’s analysis on this to date is that the benefits are often less than those initially perceived, and that the cost of undertaking significant gauge clearance work can be extremely high.

4.4 Many rail trips to London also involve another onward mode such as bus or the Underground. The large increase in the number of people arriving at London termini means that further investment in London’s transport system, particularly in the Underground, is essential. In order to meet the needs of transport users continued capacity enhancements in the Underground system needs to be delivered in parallel to those provided on the national rail network.

October 2007

Supplementary memorandum from Transport for London (RWP 30a)

Current funding for TfL’s investment programme up to 2009–10 is set out on page 68 and 69 of the TfL business plan (dated December 2007). Page 23, paragraph 2.5 describes the LU line upgrades. Page 26, paragraph 2.17 describes the upgrade to the newly constituted London Overground.


Subsequent to this, total funding of £39 billion until 2017–18 was confirmed by the Department for Transport (DfT), as part of the recent Government Comprehensive Spending Review. £33 billion will be paid as grant funding from DfT, with up to a further £6bn of borrowings by Transport for London. The 10-year funding settlement which will enable the renewal and expansion of London’s transport network over the next decade. There is more detail in the attached press release:


The original sources are the series of funding letters and the memorandum of understanding posted on the TfL website. This gives the exact annual series for funding and confirms that this covers the London Underground, including the Tube Lines PPP contract, the interim body into which Metronet’s PPP contracts are transferred, the post-Metronet permanent structure, London Overground, and TfL’s Crossrail contribution.


Memorandum from The Railway Forum (RWP 31)

The Railway Forum

The Railway Forum is the industry-wide strategic think tank and lobby group promoting the growth of a safe, efficient and affordable railway in the United Kingdom. It represents the majority of the industry including train operating companies, rolling stock leasing companies (ROSCos), equipment suppliers, Network Rail and Transport for London. The Railway Industry Association (RIA) are members and play a full part in Railway Forum activities.
1. EXECUTIVE SUMMARY

1.1 The Railway Forum welcomes the publication by the Government of the thirty-year strategy for rail. The Government, through the HLOS, has provided financial stability for the next five-year control period (CP4) 2009–14 that will facilitate a number of important capital projects to provide immeasurable benefit to the travelling public. The Government has also a clear vision for the freight sector, with a strategic freight network to reduce conflicts between freight and passenger movements. Throughout Control Period 4 the Government has backed the High Level Output Specification (HLOS) with its Statement of Funds Available (SoFA) which averages at over £3 billion a year for franchise support and network grant.

1.2 London and the South East is a major beneficiary of the projected expenditure in Control Period 4. The long-awaited Thameslink upgrade costing £3.5 billion will provide much needed relief to a route currently experiencing above average load factors. London as a whole has seen a 32% increase in demand over the past ten years.

1.3 Although subject to a separate announcement on 5 October 2007, the Government’s approval of Crossrail will relieve important sections of the London Underground, improve connectivity to Heathrow Airport and Canary Wharf and provide a catalyst to further regeneration in the Thames Gateway. The success of the funding package agreed for Crossrail demonstrates the importance of collaborative working between the public and private sectors in the provision of transport infrastructure projects.

1.4 Many of the new 1,300 additional carriages promised will also benefit the South East as well as regionally based services in important cities experiencing faster growth than London. As the White Paper points out, Birmingham, Leeds and Manchester have seen a 60% increase in demand over the past decade.

1.5 The White Paper has promised major upgrades at Reading, one of the busiest stations on the network and at Birmingham New Street.

1.6 The accommodation of an additional 22.5% increase in passenger demand (expressed in passenger kilometres) by 2013 within a overall rise in carbon emissions of only 5% is a tough task. Delivering this programme will be a challenge, but one that exists in the context of overall optimism for the industry.

1.7 The Railway Forum does, however, have some concerns when it comes to the longer term strategy set out in the White Paper. It is clearly sensible to have a thirty-year strategy based on the investment cycles for rolling stock and this is of considerable importance in view of the procurement of the new generation of Inter-City express trains forecast to enter fully into service in 2015, at the beginning of the following control period. We do, however, take issue with the thirty-year strategy in terms of two crucial issues, firstly the traction package that will be deployed and, secondly, the longer-term capacity issues for inter-urban rail transport.

1.8 As is pointed out in the White Paper, the current level of electrification in the rail network is 39%. This is lower than comparable European systems and there is at least a case for planning now for further electrification to take place in Control Period 5 from 2014 onwards. This could be undertaken within comprehensive whole route upgrades alongside signalling improvements, in particular the migration towards the European Rail Traffic Management System (ERTMS).

1.9 There is no doubt, as Sir Nicholas Stern points out in his seminal report on the economic impact of climate change, that the world will be moving towards a post oil economy in the middle part of this century. Alternatives to oil as a form of traction energy are, broadly, bio-fuels, fuel cells and electricity. Fuel cells have exciting possibilities of providing a comparatively cheap carbon free emission source of energy, especially if the hydrogen can be produced from sustainable sources. The Railway Forum has been foremost in its advocacy of fuel cells as the long term future for traction energy, but the commercial applicability of hydrogen as a source of energy is likely to be some way off and would depend on an exhaustive programme of trials and safety acceptance before it could be considered. In the first instance, self-powered trains using fuel cells are more likely to be utilised on lower intensity localised services.

1.10 Notwithstanding the longer-term possibilities of hydrogen fuel cells, we believe there is a case for further electrification of the railway, at least initially on the basis of infill electrification schemes, whilst technical plans are developed for the major non-electrified inter-city routes. While we would not wish to crow out the existing investment programme, we believe there has been an over emphasis on the part of the DfT on the difficulties of further electrification while installation of ERTMS proceeds. It is our view that electrification provides substantial environmental benefits (although obviously power station emissions need to be taken into account), as well as operational advantages on intensively used sections of railway.

1.11 Given current growth predictions, we believe that there is a case for evaluating new inter-urban capacity increases now. The new High Speed 1 line from the Channel Tunnel to St Pancras International has taken nearly two decades to complete through complicated consultation, planning, financing, design and construction phases. While there are other immediate priorities, given the lead time that would be involved in the commissioning of new high speed lines, the planning for them should commence now, with the intention of funding in conjunction with the private sector in Control Period 5 from 2014–19.

1.12 By the middle of the next decade, the southernmost sections of two of the three main north-south routes are forecast to be at capacity. In the longer term this could be exacerbated, by road user pricing. The Railway Forum’s view is that planning for a High Speed 2 between London and the West Midlands as the
first stage in a national high speed network should take place as an urgent priority. Such a scheme could obviate the need for a third runway at Heathrow Airport, as we believe that a spur to Heathrow would bring more destinations within the optimal passenger journey time for inter-city rail travel, leading to a shift from domestic air to high speed rail.

2. The Growth Challenge

2.1 Sir Rod Eddington\(^1\) in his report a year ago pointed out that in mature economies, with well developed transport networks, it is transport constraints that are most likely to impact upon a nation’s productivity and that if left unchecked, increased congestion will waste an extra £22 billion in England alone by 2025. However, Eddington also made clear that if we move towards road pricing for key inter-urban corridors then the pressure will be exacerbated “but reduce if rail pricing is used to manage demand”.\(^2\)

2.2 The policy on regulated fares (RPI + 1) and by default unregulated fares determined by reference to the market can be seen in the context of the stated desire of the Government to move by 2013–14 to the taxpayer providing 23.4% of the cost of supporting the railway compared to the current level of approximately 50%. However, fares policy in our view needs to be seen not only in relation to rail but also to road and air. In our opinion the DfT should be looking across the modes not only for investment choices but also and at the same time on its pricing policies.

2.3 ORT’s view is that the figures on passenger and taxpayer share of meeting the costs of the railway derive from the forecasts of revenue growth and cost reductions. There is an industry concern that the Government’s assumption is that Train Operating Company costs will remain static in real terms, while more services with additional rolling stock are required together with improved service quality whilst fares are constrained by regulation or competitive pressures with other modes. The targets for Public Performance Measure (PPM) [Long distance and Regional 92%, London 93%] are ambitious and resource intensive and should not be at the expense of addressing the urgent capacity constraints within the network.

3. Electrification

3.1 As the White Paper points out, currently some 39% of the UK rail network is electrified which is a lower proportion than comparable European systems. Major inter city routes such as London—Bristol-South Wales and London-East Midlands-Sheffield are still the preserve of diesel traction. The last major electrification project was the Crewe-Kidsgrove link carried out in 2003 in advance of the new West Coast timetable in 2004, which has already demonstrated its value in acting as a diversionary route for Virgin West Coast Mainline services.

3.2 We believe that in the short term there is a case for infill and smaller scale electrification schemes such as Manchester-Liverpool via Rainhill, Crewe-Chester, Newark-Lincoln and Gospel Oak-Barking (linking the electrified Great Eastern and West Coast main lines and important for freight movement). In the longer term the DfT should in our view evaluate the business case for electrification of the Great Western route to Bristol and South Wales together with the Midland Main Line (currently electrified as far as Bedford).

3.3 The White Paper lays down a challenge to the railway industry in terms of sustainability with a target to achieve only a 5% increase in carbon dioxide emissions within the passenger demand expectations of 2014. It is our view that this however should be within the context of other transport sector, reduction targets for carbon dioxide emissions. Rail has the ability to improve sustainable transport by attracting passenger and freight traffic from other modes.

3.4 Electric Traction has an advantage over diesel traction in carbon emissions even factoring in the carbon emissions emanating from the generating source as adduced by the following evidential data (based on average load factors) from the Association of Train Operating Companies:

<table>
<thead>
<tr>
<th>Mode</th>
<th>Emissions (gCO(_2) per passenger KM)</th>
<th>% Change since 1995–6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger Rail—Diesel</td>
<td>74</td>
<td>-16%</td>
</tr>
<tr>
<td>Passenger Rail—Electric</td>
<td>54</td>
<td>-26%</td>
</tr>
<tr>
<td>Passenger Rail—Overall</td>
<td>61</td>
<td>-22%</td>
</tr>
<tr>
<td>Car and Taxi</td>
<td>106</td>
<td>-8%</td>
</tr>
<tr>
<td>Domestic Air</td>
<td>231</td>
<td>+5%</td>
</tr>
</tbody>
</table>

3.3 Currently the Government through the Department of Business, Enterprise and Regulatory Form is reviewing the UK’s energy policy, which is currently heavily carbon based with some 75% of UK energy derived from carbon emitting sources. Should there be a future major shift towards low carbon emitting

1 The Eddington Transport Study, HM Treasury and Department for Transport, December 2006.
forms of electricity generation such as wind, solar, tidal and nuclear energy then the relative advantages of electrification would be enhanced. Sir Nicholas Stern has recommended that a 60% reduction in the carbon intensity of electricity production will be necessary as Britain moves towards a low carbon economy.3

3.4 Regenerative braking (whereby the energy involved in braking a train is returned to the power supply) increasingly in use on much of the existing overhead electrified systems typically demonstrates energy savings in the order of 15%. This is capable of extension to the third rail system in use in the south of the country thus further increasing the efficacy of electric traction and its flexibility in utilising the least damaging source of energy.

3.5 Particularly on densely operated services where electrification is most likely to be justified on cost benefit grounds, electric traction has advantages in terms of acceleration and efficiency which can assist in capacity enhancement. Furthermore the technical strategy4 that accompanies the White Paper points out that electrification can have a capacity benefit on high performance trains where a diesel power car is replaced by passenger accommodation and this benefit is “likely to apply to less powerful trains as emission regulations get tighter and under-floor diesel installations become more difficult”5. Furthermore increasingly stringent noise regulations from European legislation points to the advantages of electrification.

3.6 The Government argues that for “self-powered vehicles” the internal combustion engine is likely to remain the power source for the next 10-15 years. Beyond that the possibility of bio-fuels has been raised although there is an increasing concern at the negativities associated with bio fuels and the shortage of land surface to grow the crops necessary given increasing world demands for food supply. Whilst hydrogen fuel cells have been demonstrated in the propulsion of passenger vehicles (eg the CUTE experiment involving buses across a number of world cities including London),6 the Government’s technical strategy itself points out that successful use of fuel cells is partly contingent upon the development of renewable sources of hydrogen.

3.7 The White Paper also argues that electrification prior to the widespread adoption of the European Rail Traffic Management System (ERTMS) would not make optimal use of resources as the level of protection from electro-magnetic interference between signalling and electrification systems required is less with ERTMS than conventional track side signalling. This is tenuous since Level 2 ERTMS uses the same trackside equipment as existing equipment, such as track circuits and axle counters, the only difference being the replacement of lineside colour light signals with in-cab signalling. The value of electrification to the railway is that its introduction should not be determined by the uncertain timescales for ERTMS given that trials have yet to start on the Cambrian Coast Line Early Deployment Scheme. According to the DfT rail provisional programme, the Great Western Main Line (GWML) will not be fitted with ERTMS until 2018. We would argue that GWML is an ideal candidate for total route modernisation, with new high capacity high performance inter-urban electric trains and cab signalling with ERTMS maximising the commercial benefit of the investment.

4. NEW LINE CAPACITY

4.1 In November 2007, High Speed One (HS1) opens in its entirety from the Channel Tunnel to St Pancras International—a major engineering triumph delivered on time and on budget. Nevertheless this project has been some two decades in the making having first been mooted by the former British Railways Board back in 1988 with the proposed routes radically different to that subsequently chosen. This project at first encountered tremendous localised opposition and many lessons have been learned not least the importance of construction alongside existing transportation corridors, the mitigation of adverse environmental effects and the need to achieve localised benefits. It is estimated that although HS1 has cost some £5.8 billion that approximately £10 billion in regeneration benefits to East London and Thames Gateway have accrued. In addition the use of HS1 by domestic trains from 2009 serving East Kent destinations will deliver major economic benefit to that area of relative economic disadvantage.

4.2 Furthermore HS1 has facilitated Ashford in Kent being designated a major housing hub for the South East to a level beyond that which it would have otherwise been able to support. In the context of Government housing policies, which have called for an additional three million new homes, the potential for use of High Speed Rail to facilitate sustainable development either directly or by freeing up existing capacity to allow for the travel needs of specific locations eg Milton Keynes cannot be overlooked.

4.3 The White Paper is of the view that until around 2030 growth in demand can be met by measures such as longer trains (possibly requiring platform lengthening), grade separation of junctions and the installation of ERTMS which is claimed could lead to a potential increase in line capacity of 20%. Yet the British Railway network is very much predicated on the mixed use of lines with a combination of inter-city, localised and freight trains with differential speeds. Additional line capacity will we believe be required well before 2030 concentrating on the most congested parts of the network as outlined by a study conducted for the former Strategic Rail Authority in 20037 which concluded that the West Coast and East Coast Main Lines

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5. European Commission, CUTE (Clean Urban Transport for Europe) demonstration project.
faced saturation by the middle of the next decade. This study also predicted an increase by 2031 in rail demand of 70% compared to 2000 levels. Furthermore on one of the busiest routes on the network London-Birmingham, capacity is restrained by the fact that from Rugby to Birmingham there are only two tracks available, which have to be shared by inter-city, local and freight trains.

4.4 There is a common consensus that the highest priority for new inter-city capacity should be between London and the West Midlands. A respected research group Greengauge 21 have this year published a report (sponsored by The Railway Forum) calling for Government action on planning for a High Speed 2 (HS2) between London and Birmingham, with links to the West Coast Main Line further north to link the North West, north Wales and Scotland and provided with direct connections using a spur into Heathrow Airport which would maximise value for money and possibly obviate the need (by reducing the demand for domestic flights) for a third runway at Heathrow.

4.5 Such a project would need to attract significant amounts of private sector finance so as to not crowd out much needed investment outlined in the White Paper eg Thameslink, Reading upgrade together with Crossrail. However, the Government should now commence planning this project so that planning issues can be resolved prior to construction starting in the next Control Period post 2014.

4.6 We would draw the Committee’s attention to the fact that the West Coast upgrade took some ten years to complete, necessitated widespread disruption and yet resulted in an increase in line speed only from 110 mph to 125 mph. There is a danger of repeating this mistake therefore in seeking a solution to capacity upgrades solely focussed on enhancing existing lines.

4.7 High Speed Rail needs to be seen by Government in our view as supporting all three pillars of the sustainability agenda—environmental, social and economic. An advantage of new high-speed lines would be to reduce the gap between the south east of the country and the north by opening accessibility to the London economy. This gap has been estimated at some £30 billion. The Northern Way has recently identified a wider economic benefit of £10 billion from a high-speed solution, and this is additional to a cost benefit performance that is already at 2:1 or above. From November 2007 it will be actually quicker to go from London St Pancras to Paris (305 miles) than to Sheffield (165 miles).

5. Freight

5.1 The White Paper provides a welcome commitment to the freight industry with the promise of a development of the Strategic Freight Network and an initial £200m of funding being allocated from the Statement of Funds Available. In particular the utilisation of the Transport Innovation Fund for a case by case decision on loading gauge enhancements of key freight routes such as Southampton and the West Coast Main Line and from the port of Felixstowe amongst other measures are to be very much supported.

It is however vital to ensure that the continued growth in rail freight is not curtailed by line capacity constraints due to passenger traffic volumes that are currently being experienced and are projected.

October 2007

Memorandum from the Freight Transport Association (FTA) (RWP 32)

Key Messages

— Rail Freight’s crucial role in securing future economic well-being for the UK and reducing environmental impact needs to be recognised in transport policy and the planning regime.
— Rail Freight requires a strategic route network that will handle the growing number of larger containers, seven days a week.
— Rail Freight needs a reducing infrastructure cost base to remain competitive.
— The Freight Modal Shift Grants regime must be one that is effective in delivering business-led freight shift to rail.

Introduction

1. The Freight Transport Association represents the transport interests of companies moving goods by rail, road, sea and air. FTA members consign over 90% of the freight moved by rail and over 70% of sea and air freight. They also operate over 200,000 goods vehicles—almost half the UK fleet.

2. FTA is also responding to the inquiry on Freight that is taking place simultaneously. However, we do not want freight to be neglected in the modal specific discussion over rail. Too often, any political discussion on rail is automatically taken to mean passenger rail. Whilst we understand the political imperative behind this, we urge the Committee to consider freight as an equal part of the rail network.

7 High Speed Two, A proposition by Greengauge 21 June 2007.
1. Why Does Rail Freight Matter?

Freight

3. The quality of the supply chain is a major factor in determining the efficiency of an economy. Freight matters, not because of the numbers of people it employs or the companies it sustains, but because it is a service that all industry relies on—it determines our ability to trade, our cost of living and the lifestyle choices consumers are able to make. Every year, business spends £70 billion on transporting goods within the UK by road and rail: almost half of everything that the UK spends on transport is spent on moving goods rather than people. In transport policy terms therefore, passenger and freight services should receive the equal attention it deserves.

4. Industry needs a safe, reliable, and integrated transport network to effectively serve the economy. The commercial pressures placed on the logistics industry put more emphasis than ever on being resilient and predictable. All businesses need regular supplies to function and a route to market for the goods they produce. These supply chains are lengthening as globalisation of trade increases.

Rail

5. Rail freight moves an estimated 43.5 million tonnes of goods to and from the UK’s ports. 65% of intercontinental trade to the north of England and beyond arrives by rail from the UK’s southern gateway ports. Each day, rail handles up to 1,000 containers moving through the Port of Southampton. Every year rail transports more than a quarter of a million containers through the Port of Felixstowe, carried on 22 freight trains per day.

6. As well as import (and export) containers, rail is strong in transporting heavy and bulk commodities. For example, rail transported coal produces a quarter of the UK’s electricity. 80% of stone used for construction in London is supplied by rail, while nationally, rail’s share is nearer to one fifth of stone traffic.

Also, a third of metal products in the UK are delivered by rail, and, as an example, around half of Corus’ (the UK’s largest steel manufacturer) deliveries are made by rail.

7. From the 1950s until the mid 1990s rail freight declined. Since then we have seen a 66% growth in tonne kilometres moved. However, this still represents only about 12% of the UK surface transport market. Network Rail’s Freight Route Utilisation Strategy forecasts continued growth in container traffic. Additionally, major retailers and FTA members such as Marks and Spencer, Superdrug, Argos and ASDA are increasingly using rail as part of their supply chain solutions.

8. The Government’s White Paper on Railways recognises that Britain’s rail network is a mixed railway where both passenger and freight traffic operate on the same lines. Recent strong growth in passenger traffic has and will continue to put increased pressure on this mixed traffic railway because of the equally strong freight traffic growth. A factor complicating this is the need to build into the timetabling process adequate potential capacity for freight services to run so that the freight sector can respond to short notice changes in demand from customers. It is encouraging that in its White Paper, the Government has stated that it will ensure that its policies and regulations do not adversely affect passenger or freight growth by allowing one to grow at the expense of the other.

Environmental Performance of Rail

9. The retail sector now is increasingly looking to rail to offer environmentally sound logistics solutions as part of its supply chain package. This represents a considerable future potential growth for rail freight.

10. FTA is committed to helping industry reduce emissions and pollution from freight transport. At present, although rough estimates are made, there are no definitive figures for the carbon footprint of rail. FTA is currently working with the rail industry to develop a full assessment of the actual environmental impact of rail—so that companies can accurately assess their carbon footprint.

11. Few retail stores are rail connected, but distribution centres can be. Therefore a number of retail companies have been experimenting with intermodal rail freight services delivering on the key trunk haul routes into Local Distribution Centres for onward road distribution to the stores.

12. ASDA Wal-Mart has suggested that it saves some four million road vehicle miles per annum by using a rail freight service. Marks and Spencer claim 40% of goods arrive by rail at their National Distribution Centre

2. The Needs for a Future Rail Freight Offering

13. Industry is predicted to change its trading and logistics patterns. Retailers will continue to source consumer goods from lower cost economies such as China and India and therefore longer and more sophisticated supply chains will be created to serve UK outlets. Short domestic distribution journeys from UK manufacturers are being replaced by container shipments from abroad, delivered inland from UK ports
by road and rail. Movement of freight in heavy goods vehicles has remained stable however despite this economic growth, due in part to better vehicle utilisation, and at the same time rail freight has also seen steady growth, reflecting in part its prominent role in moving containers to and from ports.

14. As the needs of UK business evolve, the rail freight service in the UK needs to evolve with it. There are three key issues that the rail freight community needs to see addressed to make rail more competitive with road:

— Seven day a week service—the lack of this provides a distinct disadvantage compared to road operations.
— Reducing costs—despite rising fuel costs, the road haulage market is constantly trying to reduce its costs to the user. This is the environment in which rail needs to compete.
— Access—a greater spread of terminals available so that users have facilities locally to them that can be accessed.

15. For much of this, the onus is on the private sector to deliver—but there is a key role for the public sector too (see section 4).

Strategic Freight Network

16. In the Rail White Paper the Government proposed the creation of a Strategic Freight Network. As the Government themselves acknowledge this will take far longer than the next five years for which funding has been allocated, but we believe it is a useful longer term goal.

17. We recommend the initial resources be focused as follows:

— Prioritise improvements that will provide the most value for money in terms of benefit they produce for “UK plc”—ie business generally.
— To this end, and in line with the recommendations of the Eddington Report, the main priority should be international and domestic container traffic, as this is a proven and reliably increasing market for rail freight.
— This will mean a focus on connections from the Greater South-East ports and north/south across the UK.
— Efforts should concentrate at this stage on upgrading existing facilities to acceptable standards (providing network to European gauge to be left to period beyond 2014, though planning should be done now).
— Policy on rail terminals needs to be incorporated into any SFN plan—vital to the success of such a network.
— The SFN label must mean something—a standard should be set for what can be included under this term.

Routes

18. We believe that the ultimate network should focus around the key containerised freight corridors that UK business requires. The key corridors FTA would propose for inclusion in an identified SFN are:

1. Channel Tunnel to London.
2. Southampton to West Midlands/WCML.
3. Felixstowe to Yorkshire/ECML and West Midlands/WCML.
4. London ports to West Midlands/WCML.
5. WCML to Scotland (central belt).
6. ECML to Scotland (central belt).

A rail trade route map is attached to this submission.

Criteria

19. FTA is keen for the SFN label to have meaning—there should be a set of standards that a route has to meet in order to be part of the Strategic Freight Network. The core requirements business needs are:

— seven day a week operation;
— low cost base; and
— accessible (ie terminals available).

20. To deliver this, FTA would propose the following standards:

— Size: Gauge cleared to W10.
— Speed: capable of 75mph for lighter freight loads (RA8), 60mph for heavier (RA10).
— Signalling: modern signalling, permitting shorter headway times.
— Availability: a fully gauge cleared diversionary route for emergencies and maintenance work.

3. **FTA’s Assessment of the Government’s 30 Year Rail Strategy**

21. FTA welcomed the announcement in the Government’s July Rail White Paper of an additional £200 million investment in rail freight, aimed at creating a Strategic Freight Network (SFN) (see above). We are pleased to report a positive start to the process of developing the SFN through Network Rail’s Freight Route Utilisation Strategy Stakeholder Management Group.

22. It is the long term elements of the White Paper that are for us the most disappointing. This is because there is little detail on what measures will be necessary beyond the current HLOS to achieve the doubling of freight traffic that the White Paper calls for. That said, the White Paper does acknowledge that the East Coast and Great Western Main Lines will require upgrading comparable to that of the West Coast Main Line, and that the London—Birmingham—Manchester corridor could require further work. A new freight only line is explicitly ruled out, though the potential of a new conventional route is discussed as a possibility but with no specific geographic route mentioned. In this context, FTA would want to see W12, European gauge to London to the West Midlands, Manchester and Leeds would as a start to a wider European gauge network in Britain.

4. **Public policy—What business needs from Government on rail freight**

**INVESTMENT**

Issue: Freight Gateway Infrastructure critical

23. The UK’s major container ports are current severely congested due to continuing growth in international containerised trade. This is causing increased costs through lack of competition (see introduction of Vehicle Booking Schemes and Infrastructure and Security surcharges), and severe delays on the land side of ports.

24. The “trade routes” network, identified by FTA in its “Freight Future” project showed that most future rail traffic growth would be on a key number of rail trade routes serving ports and airports, including Dover and the Channel Tunnel that are the freight gateways for all of the UK, not just the South and the Midlands.

**Recommendation: Support Inland Infrastructure**

The UK Government is highly unusual in not funding 100% of inland connections for ports and this makes investing in the UK’s ports a less attractive option than it would otherwise be. The Government should use their final Ports Policy Review document to set out their commitment to funding rail and road connections.

**Recommendation: Protect and Develop “trade routes”**

The UK’s “trade routes” need to be protected from future congestion by a mix of freight prioritisation measures, advanced traffic management techniques, and crucially investment in new capacity so as to optimise the use of the space available. This hopefully is being picked up in the SFN work as described above.

**PLANNING REGIME**

Issue: Recognising Rail’s Strategic Importance

25. The current system of permitted development rights and the Transport and Works Act tends to work well for rail infrastructure. The exception to this has been rail freight interchanges—vital to facilitate the supply chain links for rail freight. The problems for interchanges have been that there has been no national framework or statement of need. This has resulted in local issues and inquiries frustrating potential development, without reference to statements of greater national priority.

26. The Government’s Planning White Paper though intends to create a National Planning Commission to consolidate multiple consents and decide upon the largest schemes. National Planning Statements will also be created by Ministers with consultation to set out the need for national infrastructure.

27. For rail freight, the concern is that the role of the Infrastructure Commission in rail schemes is not clear, and neither is it clear that there will be a national policy statement for rail (including freight). The concern must be that rail-freight interchange schemes that do not come within the definition of a major scheme (and it is understood that few individually would) will be dealt with instead by increasingly localised decision making for non major projects. The end result of this could actually be considerably worse for rail.
**Recommendation: Implement planning reform proposals**

Government must include rail and rail freight interchanges within a national policy statement that recognises the national strategic importance of such interchanges to a national logistics network.

**Passenger and Freight**

**Issue: Passenger growth on the rail network threatens to eat up capacity for freight growth**

28. Investment in freight schemes is essential to avoid economically vital rail freight being crowded out by passenger growth. In November 2006, the National Audit Office stated that in 2005–6 passenger journeys on Virgin West Coast trains grew by over 20% (which was ahead of forecast) and in 2006 some parts of the route were operating at or near capacity. Passenger service investment may deliver votes, but freight delivers lifestyles that voters take for granted, but will complain about the deterioration of if freight does not get its fair share of investment alongside passenger.

**Recommendation: New freight capacity and capability**

Government must commit itself publicly and direct ORR to ensure that the new capability of the Strategic Freight Network is not eaten up by Franchise specifications for passenger operators or by open access passenger operators. It must also ensure that in operational timetable planning work by Network Rail that adequate capacity for freight that reflects the often short term nature of the start of flows is built in as headroom into the timetable and capacity planning process.

**Long Term Commitment**

**Issue: Long—Term Asset Life and Commitment**

29. Rail freight investment by existing shippers who use rail and the decision by other shippers to switch part of their flows to rail, usually represents a long term commitment in terminal handling equipment, facilities and infrastructure. Even where a shipper new to rail can use a shared service there is a logistical and organisational commitment to that which is not short—term. Therefore, the rail freight sector whether shippers, facility operators or rail freight providers needs to take commercial risk often recoverable only over a longer period of time to derive the true longer term efficiencies that using rail can bring.

**Recommendation: Longer term policy commitments**

Government needs to ensure that there is a long term vision in its regulatory and fiscal strategy for rail freight investment. This will ensure that the private sector has the necessary confidence to invest.

**Industry Cost Base**

**Issue: Track Access Charges**

30. The Freight Track Access Charges (TAC) review process by ORR has set upper and lower “caps” on the changes to the variable freight track access charges that operators pay. Whilst the upper cap represents a higher charge than at present the ORR has stated that it expects the final freight TAC to be lower because of the efficiencies that it expects Network Rail to be capable of achieving.

**Recommendation: Reducing Network Rail cost base**

Government must ensure via ORR that Network Rail as infrastructure manager reduces the operations, maintenance, renewal and enhancements costs and consequently the access charge for freight customers. This is required to match the continuing cost savings made by the road haulage industry.

**Issue: Freight Only Line Charging**

31. ORR’s review of the access charges for freight only lines has proposed charging electricity supply industry (ESI) coal and spent nuclear fuels the full cost of using rail for the entirety of the UK network—not just the freight only lines. This is based upon ORR’s determination that this sector can bear this increase in charge—it has no option to go anywhere else. This mechanism disadvantages longer distance flows and sends a negative message that markets relying on rail will be seen as targets for revenue raising. This is a worrying message to those shippers considering rail for the first time. It breaches basic fairness that identical industries that happen not to need any freight only lines would not be charged full costs at all, whilst those companies that do for even half a mile will be charged full costs across the entire network.
**Recommendation: Price for actual freight only line use**

If ORR has to charge these industries for use of freight only lines, they should charge full costs only on use of those freight only lines. ORR should not charge full costs for the use of the whole network.

**Issue: Freight Modal Shift Grants**

32. The Government is currently reviewing the Grants regime that facilitates the purchase of environmental benefits by buying lorry miles off of the roads. In June, the Government announced that the Rail Environmental Benefit Procurement Scheme (REPS) will receive just over £16 million per year for the next three years. This compares with around £22 million per year for the previous three years. At £7 million, the Freight Facilities Grant (FFG) in England is smaller than that of Scotland and therefore the criteria for assessing applications for funding to offset the capital cost of new terminal handling facilities and equipment are so onerous that little of this budget is being spent. The period of the grants is also short term which does not give industry certainty.

**Recommendation: Maximise funding to rail freight grants schemes**

Government should ensure that its current Freight Modal Shift Grants Review produces a regime that provides more funding to achieve modal shift and over a longer period than that at present to ensure certainty of investment for industry.

**Promotion of Healthy Competition between Freight Operating Companies (FOC)S**

**Issue: Delivering Customer Value**

33. Rail freight is a private sector activity, the vast majority of which is delivered without Government financial support. Unlike the passenger railway which is for the most part publicly specified yet privately delivered, freight is privately delivered in response to private market demand. Since the privatisation of the former British Rail freight businesses, the new private companies have invested via financing partners in new locomotives, rolling stock and equipment. In addition to this, new companies have entered the market, enabled to do so by the availability of often small order numbers of standard new freight locomotives financed by the ROSCOs (Rolling Stock Companies).

34. This has enabled competition to be on the basis of service differentiation and meeting different customer needs, rather than upon different cost bases of providers, since this is broadly the same. The entry of new rail freight providers and their increasing partnering with logistics service providers has produced a competitive and innovative market for rail freight service provision that both existing and potential customers are taking advantage of. It is therefore vital that this competitive environment remains.

**Recommendation: Active market regulation**

Government must ensure through its regulator (the ORR) that a fully competitive market is in operation. Continued efficient monitoring is required to ensure users benefit from a fully competitive rail freight market.

*October 2007*
FTA Suggested Strategic Freight Network Map
Memorandum from Transport-Watch (RWP 33)

Transport-Watch is an independent association, not connected with any business or political Party, funded by a trust and dedicated to making the best use of land already committed to transport in the interests of the Community as a whole.

Main Text

1. The rail network is 10,000 miles long, contains 20,000 miles of track and 2,500 stations. It serves the hearts of our towns and cities. Over the five years to 2014 the Government proposes to spend £15.3 billion supporting that system in England and Wales plus guaranteeing borrowing of £9 billion for HLOS (High Level Output Statement). Additionally, Scottish rail is to spend taxes of circa £1 billion per year. Hence, for the UK as a whole we have a total close to £30 billion for the five years. Since there has been operating subsidy of circa £(2-3) billion per year at 2006 prices since the 1950s it is unreasonable to suggest that the additional borrowing will ever be repaid from the fare box. Instead the whole £30 billion will be a burden to the taxpayer. That is consistent with the support plus capital expenditure for the eleven years 1995–2005. At 2006 prices that amounts to £66 billion. Hence, from 1995 to 2014 the railways will have extracted £96 billion from the Exchequer, equivalent to £3,840 per household or to 4.8 million per track mile (£250,000 per year).

2. In contrast the competing motorway and Trunk Road network is 7,600 miles long. It contains approximately 34,000 lane-miles (Transport-Watch estimate). Rather than extracting resources from the Exchequer, road users of that network contribute net of expenditure close to £13 billion per year. (That assumes that the net expenditure on all roads (£41 billion) is apportioned according to the vehicle miles, 32% of which are on the strategic road network).

3. The Exchequer’s profit from the motorway and trunk road network and the corresponding losses from rail are compared on four bases in the bar chart below, namely, (i) per household (ii) per track or lane-km, (iii) per passenger-km and (iv) per unit-km where the unit is the sum of passenger and tonne-km. The profits for road are represented by the bars above the line. The losses for rail are represented by the bars below the line.

4. As to roads as a whole—users pay gross tax of circa £50 billion per year (including VAT on motor vehicles and servicing etc) compared with expenditure of £9 billion. The tax amounts to £2,000 per household of which only some £360 is spent on the roads.

5. Those costs, the extraordinary differences between road and rail and the subsidy to rail, compared with the tax take from roads, arise at a time when:

   (a) Half of us use a train less than once a year.

   (b) Households in the top quintile of income travel five times as far by rail as do those from households in either of the bottom two quintiles.

   (c) The railways carry just 6% of the nation’s passenger miles and 8% of its freight, after allowing for the contributions made by pipe line 4% and water 23% (mainly inshore shipping). Bar diagrams below illustrate.
(d) The average flow across the rail network as a whole is equivalent to only some 300 buses plus lorries per day per track. (Appendix 1).

(e) The productivity or the motorway and trunk road network in terms of tonne-miles or passenger-miles per kilometer of lane is two and a half to three times that of the rail network, as illustrated below. (Appendix 1)

(f) London’s surface rail network carries sufficient passengers in the peak hour to occupy one seventh of the capacity available if the network were paved and the passengers all had seats in 75-seat express coaches rather than enduring the crushed conditions offered by rail. (Appendix 1)

(g) Half of all rail journeys are less than 20 miles long, (the average journey length is 25 miles due to the effect of the longer journeys). 10

(h) Track maintenance of rail is several times as expensive as for equivalent road transport. Similarly the annual cost of a railway carriage is three times that for an express coach.

(i) The widths of two track railways are sufficient, even in tunnels, for the carriageway of a two-way trunk road. Headroom is adequate for all but the tallest vehicles. 11 On the approaches to towns and cities the widths are sufficient for 4 to 6-lane highways—see the vast width of rail at Battersea. That right of way is substantially disused while the surrounding roads are clogged with traffic.

6. As to safety, we note that the railway industry has succeeded in embedding in the public mind the notion that rail is overwhelmingly safe compared with road. For example, the Transport Committee’s report on the Future of the Railway says in paragraph 186, The figures comparing road and rail fatalities are telling. . . . The SRA points out that “On average more road users die in accidents each day than rail passengers in a year”. However, that comparison misrepresents the position. Firstly it ignores usage thereby exaggerating in favour of rail by a factor of 18 from the outset. Secondly the comparison is between passengers killed in so called Train Accidents with all those, system-wide, killed on the road system including people on foot, bicycle and motorbike. That introduces a second and similar exaggeration in favour of rail.
7. In contrast our calculations show that for the 10 years 1996 to 2005 the deaths per passenger-km to passengers by rail in the envelope bounded by the ticket barriers was at least 50% above that suffered by those in express coaches on the motorway and rural trunk road system. Further, and we found that if trespassers (but not suicides) plus staff and postal workers are added to passengers then the death rate by rail is 50% above that on the motorway and rural trunk road system. (Appendix 1)

8. The plain truth is that like for like road transport provides a substantially safer environment both for passengers and for the population as a whole than does rail. The contrary notion put about by the rail lobby these last 50 years has no basis.11

9. Referring to fuel usage and emissions we again find an astonishing divergence between popular belief and reality. The reality, now substantiated by RSSB report series T618, is that a train is no more fuel efficient than a medium sized diesel powered car containing two people and very much less fuel efficient than the express coach. That is reflected in emission data. Indeed, although the electric train is thought to be “green” any marginal increase or decrease in electricity use affects only coal powered generation if the system is to run so as to minimise overall emissions. On that basis the train is little better than a short haul aircraft while being vastly more expensive.

10. To illustrate the double think that affects the public perception of road and rail consider the effect of paving the motorway and trunk road network with railway lines. The place would come to a near standstill. Despite that the belief persists that paving rail’s comparable rights of way with steel is beneficial.

11. The reality is that paving rail’s rights of way with asphalt would release immense potential. Costs would be reduced by a factor of four, usage would rise by a factor of 3 to 5, fuel consumption and carbon emissions would be reduced, lorries and countless other vehicles currently clogging unsuitable city streets and rural roads would divert to these superbly engineered rights of way, all London’s crushed surface rail commuters would have seats and the development potential of many thousands of hectares of derelict railway land would be unlocked.

CONCLUSION

12. The beliefs that have driven policy for the past decade and that are driving the 30 year plan have no basis in fact. Meanwhile the scale of the expenditure is breathtaking. That is a tragedy on two counts. Firstly, there is the triumph of myth over reality—a disaster at many levels. Secondly, the consequential misallocation of resources, if carried forward as it has been over the past half century, is sufficient to damage the economy for the rest of the current century.

13. The Committee should therefore put aside the 30 year plan and find whether any of our evidence can be overturned in a discussion devoted to finding the truth. If it cannot then the painful process of building policy in the light of the facts rather than the myths must be started.

14. Meanwhile there needs to be a statement from the Department of Transport that:

(a) No further land covered by, or recently currently covered by, rail will be lost to the transport network.

(b) Subsidies should be paid to the deserving individual and NOT the mode of transport.

(c) There should be an overarching authority charged with making best use of transport land in the interests of the community as a whole.

(d) There should be a moratorium on rail expenditure, other than necessary to keep the system running, while a policy based on the facts is developed.

REFERENCES:

2. Delivering a Sustainable Railway (table 12.1) Cm 7176.
5. Office of the Rail Regulator. National Rail Trends yearbook 05–06
7. SRA Chairman Richard Bowker in paragraph two of the forword to Everyone’s Railway the wider case for rail.
8. National Travel Survey data.
12. Transport-Watch facts sheet 2 (subject to update).
APPENDIX 1

Usage, Rail and Road Compared

In the following and for the avoidance of doubt the term “a track” means a track containing two rails suitable for one train.

Rail. In 2005–06 Network Rail carried 43.2 billion passenger-km and 23.5 billion tonne-km. The route length was 15,810 km representing approximately 32,000 km of track. Dividing the passenger and tonne-km by track length yields productivity indices of 1.35 million passenger-km per km and 0.73 million tonne-km per km. Adding the two provides a combined productivity index of 2.08.

The strategic road network carries 32% of all road traffic which reduces to 62% of goods traffic and 30% of non-goods traffic. Table 1.1 of the TSGB provides a total of 726 billion passenger-km by car, light van and bus on all roads. Hence, if passenger-km on strategic network is proportional to the non-goods traffic there were 726 x 0.3 = 218 billion passenger-km on that network. Similarly there were 163 billion tonne-km of freight by all roads. Hence the strategic network carried 101 billion tonne-km. Adding passenger-km and Tonne-km as though they were one item yields 319 item-km. Dividing by lane length, (50,000-55,000)km, yields productivity indices of (4.0 to 4.36) million passengers-km per km, (1.84 to 2.02) million Tonne-km per km or, if freight and passengers are added as one item, (5.84 to 6.38) million item-km per km.

Dividing the productivity indices for the strategic road network by those for rail shows that strategic roads are 2.5 to 3 times as productive per km of lane as is rail per km of track.

London’s Rail Commuters

In the 3 hours 7 am to 10 am 473,000 passengers enter central London by surface rail in 2005. Hence probably less than 250,000 do so in the peak hour. There are at least 25 pairs of tracks serving the centre. Hence the peak hour passenger flow per track averages 10,000 passengers. All those would find seats to spare in 150 75-seat coaches, sufficient to fill one seventh of the capacity of one lane of a motor road here set to 1,000 express coaches per hour. The width require by that lane is the same as require by a train.

Casualty Rates

In the following casualty rates are casualties per billion passenger-km.

The railway lobby concentrates publicity on deaths to passengers in train accidents. In contrast we added the deaths in the categories set out below for the period 1995 to 2005 and divided by passenger-km after reducing the casualty totals total by 5% because death by rail is defined as death within a year whereas death by road is death within 30 days. The results follow:

(a) Train accidents, falling from trains board and alight, by the doors, falling from platforms and crossing the lines at stations provided a combined death rate 0.317 of which 0.143 were in train accidents.

(b) Adding the categories, electrocuted, barrows and falling over packages, steps and escalators yielded 0.358.

(c) Adding for people on railway business, postal workers and staff yielded 0.571.

(d) Adding for level crossings yielded 0.766.

(e) Adding for trespassers but not suicides yielded 4.11.

Further, we found that the cash value of deaths to passengers in train accidents amounted to 10% of the cash value to passengers killed and seriously injured in the categories at (a) above, and to 5% of the value when categories at (b) are added and to only 1.5% of the value of all KSI casualties where trespasses predominate.

For express coaches on motorways and trunk roads we carried out a like calculation. That yielded an all in death rate for passengers plus drivers of 0.24.

For the motorway and Trunk road network we divided the deaths in 2002 by an estimate of passenger-km made by multiplying the vehicle flows by vehicle occupancy. That yielded 2.65 for all fatal casualties or 2.04 if pedestrians, cyclists and people on motorbikes are excluded (classes of people that would not be found on a converted rail network).
COMMENT

The comparisons with rail are telling.

October 2007

Supplementary memorandum from Transport-Watch (RWP 33A)

NOTE FOLLOWING TRANSPORT COMMITTEE MEETING OF 23 JANUARY 2008

Reference Network Rail’s memorandum to the Committee RWP 04:

Paragraph 19 says that rail is “by far the safest form of Transport”.

That is not true.

The deaths per passenger-km imposed by rail within the envelope bounded by the ticket barriers is 50% above that imposed by express coaches on its passengers while travelling on the Motorway and Trunk Road network after adding an allowance for casualties when boarding and alighting or shortly afterwards.

Further, System-wide, including trespassers but not suicides, the death rate by rail is 50% above that imposed by ordinary traffic operating on the strategic road system. If deaths to pedestrians, cyclists and motorists are excluded, on the grounds that those classes of people are rare on railway alignments, then the death rate by rail is double, that likely if ordinary traffic had access to a reserved system of motor roads such as the railways may offer.

As in our previous notes to the Transport Committee, the myth of nearly perfect rail safety is propagated by the railway lobby by statements such as “every day more people are killed on the roads that passengers in a year by rail”. Such statements are a scandal in that they ignore use thereby exaggerating in favour of rail by a factor of 18 while simultaneously restricting rail deaths to passengers killed in so-called train accidents and comparing that with all those, system-wide, who die on the road network including pedestrians, cyclists and people on motorcycles.

The railway lobby enhances the myth by saying “this year no person died in a train accident” whenever such a year occurs, overlooking the fact that between 1915 and 2004 1,370 people died in train accidents where more than five people died, an average 15 per year.

Separately from that our calculations provide that the cash value of deaths in train accidents amounts to only 1.5% of the cash value of all casualties yet it is deaths train accidents alone that the railway lobby puts before the public.

Paragraph 23 says that “Rail is rightly seen as the greenest form of transport”.

That too is untrue.

If express coaches and lorries replaced the trains and had access to rails rights of way then both fuel consumption and carbon emissions would be reduced. Further if paved rail’s rights of way were paved countless lorries and other vehicles would divert from the unsuitable roads that they currently burden. That would greatly reduce the fuel consumption of those vehicles.

Paragraphs 12–16: capacity

Subsidy plus loan guarantees to rail for the period 1995–2015 may amount to £100 billion at current prices (over £4,000 for every household in the land at a time when half of us use a train less than once a year). Meanwhile, in highway terms the network is and always will be scarcely used. For example, if all London’s crushed surface rail commuters were seated in 75-seat coaches then those coaches would occupy only one seventh of the network’s capacity in the peak hour. Network wide the system carries the equivalent of only 300 buses plus lorries per day per track. These overwhelming facts need to be considered before the taxpayer is asked to subsidise a system which is, for the most part used by the better off rather than by the poor.

January 2008

Supplementary memorandum from Transport-Watch (RWP 33B)

Questions on Identity and public involvement: the value of Transport Watch to the public cannot be indicated by membership because we do not seek or have members. Instead we provide a website that is consulted by the public, public bodies and academics—the site is accessed circa 13,000 times per month. This seems to us a very substantial involvement in making what is agreed to be high-quality information available to the public.

Think tanks, ref 1, approach Transport Watch for articles and the RSSB has cited and relies on data that we have provided, ref 2. We regularly seek the advice of Transport and Government professionals on our content so as to obtain high-quality data.
We believe that our evidence to the House of Commons Transport Committee has a high level of integrity and intrinsic value.

Ref 1 IEA; eg Rural Rail, chapter 7 of “The New Rural Economy”.

Ref 2 Cited as the source for fuel used in rail freight by Rail Safety and Standards Board in its publication ‘Improving the Efficiency of Traction Energy Use’.

March 2008

Supplementary memorandum from Transport-Watch (RWP 33C)

Interdependency of Transport Watch responses to the House of Commons Transport Committee given on 5 March 2008.

Questions relating to the adequacy of growth forecast: the growth forecast is a logical outcome of assumptions and preconditions. It will change if the cost to the passenger changes. In the white paper, Delivering A Sustainable Railway HMG proposes to keep an RPI plus 1% formula for fares. Any other plan for fares would imply a different forecast.

HMG justifies the cost to public funds of the RPI plus 1% formula by reference to benefits and passenger perception of value for money. Benefits to all taxpayers are dependent on the assumption that rail is a relatively green mode. The White Paper notes that 50% of taxpayers do not use the railway and these taxpayers will receive little or no other benefit from the railway.

Within the 30-year period, the Department of Transport’s Low Carbon Transport Innovation Strategy will greatly improve the greenhouse emissions of road transport but no similar improvement is expected from rail. Until current emissions from coal burning electrical generation are eliminated, greenhouse gas emissions from electric traction are worse than from diesel traction. By the time current emissions from coal burning electrical generation are eliminated, road traction is likely to use clean electricity as readily as rail. The references indicate that the white paper errs in stating that rail offers a lower impact on climate change than road (and possibly air) in the strategy period. The assumption that HMG can justifiably ask taxpayers to subsidise rail costs in the range 35% or 25% is thus unsound. Without this subsidy fares must rise and demand reduce unless costs can be reduced massively below the present very demanding target.

Current subsidy to rail is indicated as 40% to 50%; it was 51% in 2005/2006. The white paper states that this cost to public funds is unsustainable (paragraph 12.16). It seeks a reduction to historic levels (12.20). Historic costs to public funds are not explicitly defined but the white paper refers in 12.16 to “a pattern of 25% to 35%” in the 1990’s and to a 2003 target for cost reduction of 31% by 2009.

The white paper contains no material from which the mechanics of the demand forecast can be assessed but the assumptions and pre-conditions are in some cases wrong. In other cases the assumptions are risky. Overall these errors and risks make the forecast meaningless.

Questions relating to the adequacy of plans for increased capacity

The increased capacity proposed is intended to reduce overcrowding and provide additional passenger space to accommodate growth in individual stature as well as to provide for growth in demand. Satisfying pressures on comfort and space has potential to require very large increases in capacity. There is insufficient analysis in the White Paper to establish that improving comfort and space is compatible with any of the new capacity being available to accommodate increased demand. If improvements in comfort and space are not achieved the value for money of fares is at risk and thus the revenue from them is at risk. This issue is particularly important for the unregulated fares that account for over 50% revenue.

Is the White Paper a Strategy for Rail?

As discussed above it is not joined up with other government strategy. In some respects it is incompatible with the impact of other strategies. In particular successful implementation of the Department of Transport’s Low Carbon Transport Innovation Strategy, is much more important to managing climate change. Its implementation is incompatible with any movement of demand from road to rail being beneficial.

Key assumptions and preconditions in the White paper are wrong or very risky.

The White Paper is not a strategy but it is an unsoundly based High Level Output Specification.
References
1. Low Carbon Transport Innovation Strategy published by Department for Transport.
2. Traction Energy Metrics, published by Rail Safety and Standards Board. (for impact of 2022 and road fleet emissions and caveats and assumptions incompatible with the quotation of this report in Section 11 of the white paper Delivering A Sustainable Railway.)
3. Aviation and the Global Atmosphere published by the Intergovernmental Panel on Climate Change. (for description of the application of Radiative Forcing Index to emissions of Carbon Dioxide below 9 km altitude including ground level compared to Emissions above 9km)
4. “Rail Industry admits that it is often greener for families to travel by car” published by the Times Online 13 July 2007 (for a description of the typical press understanding of the message of Traction Energy Metrics for today.)
5. Is Transport Orthodoxy Evidence Based? Focus the journal of the Chartered Institute of Transport Volume 9 no 10 (An analysis of the relative impacts of terrestrial transport modes on Climate Change for the transport profession.)
6. Why is accurate comparison of the effect of transfer of demand between transport modes on global warming a matter for transport practitioners? How does the comparative impact of transport modes on global warming matter? (Forthcoming publication following up ref 5 and extending the analysis to air)

March 2008

Memorandum from the Institution of Mechanical Engineers (IMechE) (RWP 34)

“DELIVERING A SUSTAINABLE RAILWAY” A LOW-CARBON TRANSPORT VISION FOR THE FUTURE

1. INTRODUCTION

1.1 This is a response from the Institution of Mechanical Engineers (IMechE) to a Call for Evidence from the House of Commons Transport Committee Inquiry into the Government’s White Paper on Rail (Cm 7176).

1.2 The Institution of Mechanical Engineers is well placed to respond to this Inquiry, having over 35,000 of its professional engineering membership involved or associated with transport in the UK (the IMechE has Divisions dedicated to Aerospace, Automotive and Railway as well as a cross-functional Group for Energy, Environment and Sustainability). The institution considers that reducing carbon emissions from transport should be high on the Government agenda and we welcome the opportunity to provide evidence in response to the Government’s White Paper Delivering a Sustainable Railway.

1.3 Rail offers a significant environmental advantage over alternative modes of transport, producing less than 1% of the UK’s transport CO₂ emissions. The IMechE recognises rail has an important role to play in the development of sustainable mobility and welcomes this White Paper which acknowledges the achievements and challenges ahead for the industry.

1.4 The IMechE recognises that investment must be made across all modes of transport and integrating modes of transport is key to promoting “sustainable mobility”. We, therefore, consider this White Paper on the basis of what is best for sustainable mobility, rather than what is good for the railway.

1.5 In response to the White Paper, the IMechE has provided comments on the following key themes:
— Lifestyle trends and social values.
— Modal shift.
— Capacity.
— Fiscal measures.
— Railway’s carbon footprint.

1.6 Each topic is discussed below with a summary of recommendations also provided. The IMechE is pleased to provide these recommendations which, we hope, will be influential in guiding the Government’s transport policy in reducing carbon emissions.
2. A Low-Carbon Transport Vision for the Future

2.1 Lifestyle Trends and Social Values

2.1.1 The White Paper acknowledges behavioural patterns and its relationship to people’s transport choices. Societal change is potentially one of the greatest influencers for environmental awareness and transport carbon emission reduction. We are already experiencing a rising trend in ethical consumerism and a carbon-conscience culture, as an example, Tesco has recently become the first supermarket to assign a “carbon label” to every product it sells. Product labelling for goods, displaying transport mode and emissions rating is a positive way to raise awareness and educate consumers. The railway has recently embarked on communication initiatives to educate the travelling public, as referenced in the White Paper (11.43), train operators are advertising the associated carbon emissions per rail journey, compared to other modes.

2.1.2 Real change will require a Government communication and campaign plan, accompanied by incentives (such as tax relief on “greener” transport options). The White Paper suggests that in the future “people have double today’s income and half today’s carbon footprint” in order to drive this change, having a substantial carbon footprint will need to be as socially unacceptable as drink driving or smoking in a public place—examples where Government campaigns, combined with legislation, have successfully changed societal views. This can be done by a wide range of initiatives:

- A Government campaign which endorses and promotes “green” transport choices. Campaigns should educate the public on the environmental impact of travel and transport decisions.
- Branding of travel tickets to show high/medium/low carbon costs for journeys.
- Marketing and promotion of public transport services such as buses, trams and the Underground to broaden their appeal through the “its cool to be green” image.

2.1.3 But the IMechE acknowledges that such a campaign is not enough if public transport services are not affordable, attractive and, in fact, become the “natural choice” for travellers. The IMechE agrees with the White Paper’s prediction that passenger expectations will rise in line with increases in income and lifestyle patterns. The railway should look to provide more flexible services; moving towards a 24/7 society and an improved service package which allows for a more effective journey time ie an ability to work or relax in comfort for the duration of your journey, allowing passengers to make the most of travelling time and consider rail as a more rewarding and enjoyable way to travel, as well as “greener”. This effective journey time should include service provision at railway stations as well as on-board services, with facilities such as business lounges, wi-fi zones and amenities such as supermarkets to allow people to integrate regular lifestyle activities with their choice of travel.

2.2 Modal Shift

2.2.1 The Government (in its White Paper) is right to acknowledge rail as offering significant environmental benefit over other transport modes and its potential as a key contributor to low-carbon economic growth. Notwithstanding demand growth for rail of 40% in the last decade and predicted growth in the next ten years of 30% and the capacity challenges this sets, the most effective contribution the railway can make to reduce overall transportation carbon emissions is to attract more passengers from competing modes such as roads and aviation (namely, domestic flights).

2.2.2 Inducing modal shift to rail involves measures which make rail the natural choice for the traveller:

- Better integrated transport systems with key modal interfaces.
- Journey time reduction (by introducing more “express services” and utilising technology such as improved signalling systems). More modern signalling will also improve railway network capacity.
- Rail service enhancement with improved frequency, plus the greater provision of business, entertainment and information services.
- Use of the latent capacity in rail through yield management techniques. This will enhance load factors that have an important influence on the carbon emissions per passenger kilometre. This will further enhance the relative “greenness” of rail travel.
- Planning for new rail infrastructure to cater for inter-modal shift

2.2.3 Key areas for action for modal shift are:

- Introduce fiscal measures that ensure comparability with other modes of travel
- Cycle friendly rail travel; as cycling is the fastest growing mode of transport and, as acknowledged in the White Paper, has a strong synergy with rail as a combined environmentally-friendly way to travel, particularly for commuters. Encouraging this mode of transport will also have a positive affect on health.
- Freight; where 21% of the UK’s transport carbon emissions are generated by freight and 79% of the freight market is HGV/road-use, this represents a significant opportunity to re-address the balance and reduce environmental impact in this area by modal shift to rail.
— Building on the potential of HSL1 to extend from London-Paris and London-Brussels the shift from air to rail that has already been achieved with Eurostar. This would attract similar modal shift for markets such as Birmingham/Leeds/Manchester/Sheffield—Paris/Brussels and London to Amsterdam/Cologne—all of which would involve journey times comparable with those found commonly in UK Inter-City journeys (eg London-Plymouth, Newcastle-Bristol).

— Minimising the extent to which pricing and safety restrictions faced by rail users of Eurotunnel (which compare unfavourably with those faced by road users of the Channel Tunnel or rail users of similar tunnels elsewhere in Europe) act as a barrier to rail movements between the UK and the rest of Europe for both freight and passengers.

2.2.4 To illustrate the potential impact of modal shift on CO₂ emissions, independent research commissioned by Eurostar concluded that the environmental benefit of the train (London-Paris) versus a flight is a 90% reduction in CO₂ emissions (return trip by plane 244 kg/CO₂, 22 kg/CO₂ by train per passenger). Calculations are based on actual load factors, fuel consumption and electric power generation mix; it is worth noting that Eurostar has a significantly higher load-factor than some of the UK rail network and higher nuclear energy content in the power supply system. However, the reduction in emissions for all rail journeys is still significant and, in light of predicted continued growth in domestic and international air travel in the future, the case for modal shift in such cases will become increasingly more important.

2.3. Capacity

2.3.1 The IMechE welcomes the recognition of growth of the railways (in both passenger numbers and freight) in the last decade, and the prediction of continued growth in the future. It welcomes the Government’s committed investment of £10 billion for enhancing rail network capacity and agrees with the statement in the White Paper: “Rail’s biggest contribution to tackling global warming comes from increasing its capacity, so that it can accommodate demand growth as people and firms factor carbon costs into their travel and transport decisions and make greener travel choices.” [Page 10]. A number of measures can be taken to improve existing railway network capacity, including:

— Optimised train configuration planning for services.
— Segregated lines for high speed, regional, commuter and freight traffic.
— In-cab signalling systems for traffic management.
— Commuter interiors made simple—“metro-style”.
— Longer trains.
— Additional railway stations.
— Operation of a 7 day railway.
— In the medium to long term, new infrastructure.

2.3.2 The White Paper claims that investment must be made in accordance with future demand, which is currently difficult to predict; that future rate of growth of specific routes and UK regions/cities is unknown. Investment plans must therefore be flexible and, as stated in the White Paper (6.32), qualify under certain criteria:

— Deliver capacity and tackle congestion.
— Be affordable and offer value for money.
— Be environmentally sustainable.

2.3.3 The IMechE suggests that new proposals for investment and existing transport services across all modes are reviewed together against these criteria, as well as new proposals, and are confident that such a review would generate immediate action to deliver significant capacity enhancements above those committed in the White Paper.

2.3.4 Whilst the Government will play a key role in taking strategic national decisions, the IMechE believe there is a real opportunity to devolve further transport planning responsibilities to local authorities and build on the success of the Community Rail Development Strategy partnerships (Ref White Paper 7.7) and to mirror the achievements of regionally devolved services across much of the continent which are experiencing a renaissance as a result of local “ownership” Regional co-operation between communities, local authorities and train operators is an effective way to maximise the potential environmental benefits for public funding and maintain flexibility (allowing redistribution of investment, if required). Local community partnerships can be set environmental targets, allowing them to invest in areas which are most effective for their regions, to off-set or trade environmental performance between operators/projects whilst keeping up with regional growth. Regional authorities and Community Rail Development Strategy partnerships are best placed to propose and implement investment programmes which comply with the criteria stated above.
2.4 Fiscal Measures

2.4.1 If no action is taken, transport will be one of the fastest growing sectors contributing to carbon emissions and climate change. Transport pricing, through policy, taxation and duty initiatives can play a key role in influencing transport choices and inducing modal shift to “greener” modes. Examples include:

— Transport environmental duty (“Green Tax”) imposed on all transport modes, valued in accordance with its associated environmental performance (carbon emissions). This would make consumers generally more aware of transport decisions and give visibility to the relative environmental performance of each mode.

— An appraisal of road pricing policy (car sales, road tax, excise duty, fuel duty) and implementation of a revised system which explicitly relates the true cost of vehicle use, including all external costs, to the distance travelled per journey.

— Campaigns to influence driver behavioural change such as congestion charges and limited road access for single occupancy cars.

2.4.2 The most influential fiscal measure the Government can take to induce modal shift to rail is to address rail fares comparatively with the costs of other modes. Despite a growing market share, rail is still perceived to be expensive and fares remain unregulated in areas where there are several travel options for passengers—this is a missed opportunity for influencing modal shift to what is a more environmental friendly mode of transport. Methods of achieving this would be to reduce rail track access charges for train and rail freight operators or to ensure cost of travel for all modes bear their full environmental (and other) external costs. It is disappointing to see that the White Paper proposes keeping fares above inflation which the IMechE believe will dampen demand, and tend to induce modal shift away from rail. We believe this is, therefore, a serious shortcoming/disconnect with energy and environmental policy for sustainable transport.

2.5. Railway’s Carbon Footprint

2.5.1 The IMechE agrees with the White Paper statement that the railway must take responsibility to reduce its own carbon footprint. Awareness of environmental issues will increase and there will be increasing pressure to determine and reduce environmental impact. A number of initiatives are underway within the railway, and wider transport industry, to improve the environmental performance of vehicles and systems:

— Research and development of fuel technologies.

— Implementation of regenerative braking (putting energy back into the power system).


— Optimising the balance between the comfort, reliability, weight and energy efficiency of rolling stock.

2.5.2 However, most significant are the need for further electrification and to reduce overall dependency on fossil fuels. The “greenness” of the electric railway network is heavily dependant on National Grid Supply composition (its proportion of electricity generated from renewable or nuclear sources). However, electric trains are positively perceived by the customer as being quieter, and cleaner than their diesel counterparts and are recognised throughout the world as the natural choice for high speed or high capacity railways.. Although, with the current generation mix, the relative carbon efficiencies are similar, the overall benefit and greater flexibility lies with electric trains. This potential needs to be realised.

2.5.3 The IMechE acknowledge that the Government has set challenging targets on the proportion of electricity generated from renewable sources (10% by 2010 and an aspiration towards 20% by 2020) and related reductions in CO₂ emissions against a 1990 baseline (26-32% by 2020 and 60% by 2050). The achievement of this would significantly enhance the environmental performance of the electrified rail network and with further electrification rails’ contribution to the achievement of transport emissions objectives.

2.5.4 The UK national grid transmission and distribution system is fundamentally mismatched to the geographic location of most renewable projects (the national grid is a system based on centralised power stations distributing electricity to the more remote regions of the UK, rather than electricity generation in remoter regions, requiring the distribution to centralised areas). With the growth of renewable energy supply, a combined programme to extend electrification of the railway with the upgrade/enhancement of the national grid transmission system could be considered. As well as being the natural choice for high speed or high capacity networks, lower cost electrification may well become appropriate for regional services in areas where sustainable energy sources are available locally to displace imported oil. An ongoing long term programme of electrification would benefit from significantly reduced unit costs and would be powerful in combating transport emissions for the future. This case is stronger with the breakthrough of regenerative braking technology, which could provide additional support to the grid, by returning electricity as the vehicle brakes.
3. SUMMARY OF RECOMMENDATIONS

3.1 In summary, the IMechE believes the White Paper should go further than demonstrating the Government’s commitment to rail in isolation—it should use rail as a primary means to meet overall objectives for reducing the environmental impact of transport by treating rail as part of an overall transport (and energy) strategy rather than planning for rail on its own in isolation. Policy shift in the related subjects of spatial planning and fiscal policies is necessary if the government is to meet its carbon reduction commitments. Therefore, the railway system should not only contribute to the development of sustainable mobility but lead the way in providing a vision for low-carbon travel; influencing how people value their time, combine travel with other activities and, ultimately, make more informed, and greener, transport choices.

3.2 In consideration of the issues discussed above, the IMechE has evaluated the relative cost and timescales, for imposing policy measures, against the potential savings in CO2 emissions. Recommendations below represent the most cost effective policy actions the Government could take to yield the greatest reduction in CO2 emissions for transport; in order to truly unlock the potential of rail as a major contributor to a sustainable transport plan.

3.3 Recommended Policy Actions

1. Government campaign to endorse, promote and educate on the environmental impact of travel and “green” transport choices together with a flexible plan to develop the transport infrastructure that will deliver sustainable mobility.

2. A review of rail passenger fare policy, comparatively with the costs of other modes.

3. Devolved responsibility for transport planning to local authorities and Community Rail Development Strategy partnerships and local environmental targets aligned to government objectives.

4. Transport environmental duty imposed on all transport modes in accordance with associated carbon emissions.

5. Continued increase in the proportion of national grid electricity generated from renewable sources and combine upgrade/enhancement of the national grid system with rail network electrification.

October 2007

Memorandum from the Office of Rail Regulation (RWP 35)

1. We are submitting evidence as the independent safety and economic regulator for railways in Great Britain.

2. Our key roles in the industry are:
   — Monitoring and enforcing compliance with domestic and European health and safety law, and promoting health and safety more generally, in the rail sector.
   — Setting Network Rail’s funding and output requirements.
   — Monitoring Network Rail and industry performance and taking appropriate action.
   — Setting the terms of key industry contracts and incentives.
   — Enforcing domestic and European competition law in the rail sector.

3. As economic regulator we are required to balance a range of public interest objectives set out in Section 4 of the Railways Act 1993 and amended in subsequent legislation. As health and safety regulator and as competition authority we are bound by health and safety and competition legislation respectively.

4. The White Paper Delivering a Sustainable Railway is important to us because:
   — it provides a key input into our periodic review of Network Rail funding and outputs; and
   — it sets out a longer-term strategy for what government wants from the railways.

PERIODIC REVIEW

5. The periodic review on which we are currently engaged will set Network Rail’s funding, and what it is required to deliver in return for that funding, for the period 2009–14 (control period 4). The periodic review is being carried out under a process established by the Railways Act 2005 following the 2004 White Paper. We welcome this process which requires government to state what it wants from the railway and how much money it has available, with the independent regulator assuring value for money and efficiency and that the outcome can be delivered without undermining the long term position of the railway.

6. As required by the legal provisions, we began the formal periodic review process in February 2007 by asking the governments in England and Wales, and in Scotland, what they wanted the railway to deliver and how much money they had available. The July White Paper included the response of the Secretary of
State to the requirement in the form of the “high level” output specification” (HLOS) and the “statement of funds available” (SOFA). In parallel with this, Scottish Ministers produced an HLOS and SOFA for Scotland.

7. In the HLOS, the two governments set out the improvements they wished to see in safety, capacity and performance of the railways and specific investment schemes they wished to see delivered. Alongside this, in the SOFA, governments set out the funding it wished to put into the railways to deliver those outputs.

8. It is now for ORR to take these specifications and:
   — Check whether the outputs specified can be delivered for the money available. If not, we can ask the governments to reconsider the specification or funding; ultimately if they are still not matched it is for us as independent regulator to decide what outputs can be delivered for the funding available.
   — Set the outputs and funding of Network Rail for 2009–14 and the implications for access charges.

9. The next key steps in that process are:
   — Network Rail will publish its strategic business plan in early November 2007 setting out how it believes the HLOS can be best and most efficiently delivered. This should represent a view from the rail industry as a whole, not just a narrow Network Rail perspective.
   — We will review and challenge that plan, and advise governments on whether the outputs sought can be delivered for the funds available.
   — If not, we will give governments the opportunity to revise their specifications.
   — Subject to that we will, during 2008, set Network Rail’s outputs and funding for 2009–14. We expect to publish draft conclusions in June 2008 and final conclusions in October 2008. Our process for doing all this will be open and consultative.

10. In challenging and reviewing Network Rail’s plans, we will in particular aim to:
    — set challenging efficiency targets for Network Rail for 2009–14 for delivery of the government specifications and the needs of train operators;
    — set challenging outputs which Network Rail will be required to deliver, and ensure that what Network Rail is required to deliver is clearly defined;
    — provide incentives for Network Rail and the rail industry to work in partnership to deliver the outputs specified and the needs of users; and
    — ensure that the outputs can be delivered in a way which does not compromise safety or the longer-term sustainability of the railway (for instance by storing up problems for the future).

11. Once Network Rail’s outputs have been set it will be for us to ensure they are delivered through our monitoring and enforcement activity.

THE STRATEGY

12. We welcome the decision by the UK government to publish a longer-term strategy for the railways. It follows the strategy already produced by Scottish Ministers for railways in Scotland. Government remains a significant funder of the railways, and railways play an important part in transport and the national economy, so it is appropriate for government to set out what they want the railways to deliver over the longer term. We believe it is important that in an industry where the delivery is by private sector companies, these companies should have flexibility to find better ways to deliver the requirements of the strategy, and the ability to innovate to meet customer needs.

13. We believe that independent regulation plays an important role in facilitating the delivery of the needs of users and the requirements of government. We can facilitate a balance between flexibility to meet emerging needs and stability to plan, and also endeavour to align incentives so that the industry works in partnership to deliver. One of the duties which we balance is the requirement to have regard to strategies such as the White Paper.

14. The White Paper emphasises the importance government attaches to rail in meeting transport needs in the UK, and its wider significance to the economy and sustainable development. We believe this is an important statement by government. But the White Paper also is a challenge to the rail industry:
    — to deliver what is expected in the near term; and
    — to develop plans and work in partnership with government to meet longer term needs.

15. For the near term, much of what is required will be set out through the Periodic Review process outlined above. We would also note that:
    — Government is assuming that a significantly higher proportion of rail industry income will come from passenger fares compared with government subsidy than in recent years. The main reasons for this are growth in passenger revenue and improvements in efficiency. The decision on the balance of funding between farebox and subsidy is for government. The challenge for the industry
is to grow revenue, but also to be seen as delivering value for money. This will mean continued improvement in quality to meet rising customer expectations, and, more specifically, improving presentation of the range of fares available.

— The assumptions on growth of freight are particularly challenging, with very significant growth in traffic which face tough road competition. This is a challenge to freight operators and to Network Rail.

— The industry will need to find ways to improve its performance in terms of sustainable development and environmental impact. We will be monitoring this closely.

16. For the longer term:

— We note that in the early years the focus of the White Paper is largely on additional train capacity on the existing infrastructure, alongside some specific and generally well developed schemes such as the Thameslink project. It will be important for Network Rail and train operators to work together to develop a longer term vision of what is needed to enhance infrastructure capacity. Given the lead-times on new infrastructure schemes, this needs to start now, feeding into planning for what is needed after 2014.

— We believe that the rail technical strategy published alongside the White Paper needs to be developed into an industry commitment going forward, ensuring that the industry is able to exploit existing and new technologies to improve the offer to customers and the efficiency of delivery.

— We believe it will be very important to build on what has been done in London, Scotland and Wales to decentralise decision-making on railways closer to the customer.

17. Thus in general terms we welcome the White Paper. The challenge is now for the rail industry to work in partnership, both within the industry and with government, to secure delivery.

October 2007

Memorandum from Sustrans (RWP 36)

Executive Summary

— This is a response by Sustrans, the UK’s leading sustainable transport charity.

— We welcome the Rail White Paper, but feel it is conservative in its long-term thinking.

— We make detailed comments, based on our own experience, on the need for much improved cycle/pedestrian links to stations.

Background

Sustrans is the UK’s leading sustainable transport charity. We work on a range of complementary practical projects, each designed to demonstrate that shifts to more sustainable travel behaviour can be achieved.

Our aim is to change the UK’s transport system and culture so that:

— Transport emissions which cause climate change are significantly reduced.

— People can choose to travel in ways that benefit their health and the environment.

— Everyone has good access to local facilities.

— Local streets and public spaces become places for people to enjoy.

Our work includes the National Cycle Network, Safe Routes to School, Low Carbon Travel, Active Travel (to promote health) and TravelSmart individualised marketing.

The White Paper

Correspondingly we welcome the appearance of the White Paper. We believe it fairly sets out the environmental and societal benefits a modern railway can bring. The stress on the low carbon emissions from rail is welcome; the investment in a strategic freight network is important; and the concept of Station Travel Plans is vital. Yet at the same time there are some serious drawbacks:

— No major upgrading of lines is planned after 2014.

— No line re-openings are planned.

— There is no real programme for electrification.

— The planned spending on station improvements, at £150 million, is far too low.
Some Specific Comments

Travel Plans for Stations

— strongly supported.

1.18 Social goals—One of the main deterrents to rail travel is the high level of fares, which have risen at the same time Government policies have caused motoring costs to fall.

4.9 Capacity challenge—One of the simplest ways of increasing usage is by higher levels of walking and cycling to stations (see below).

4.18 Local factors—It is vital that “turn up and go passengers” are planned for: this is one of rail’s great advantages.

6.8 Future prospects—If we are planning for 30 years ahead it seems inconceivable that:

(a) There will not be a national system of road-user charging.

(b) There will not be very serious concerns about oil supplies and security.

Therefore there is likely to be largescale desire for greater rail travel, one that the system must be able to accommodate.

7.23 Sustrans has helped preserve the continuity of thousands of miles of disused rail route, most of which we have used for the National Cycle Network. We have a policy that we will hand back any of these routes to operational working, subject to continued provision being made for cyclists and pedestrians

Equally, it is ABSOLUTELY ESSENTIAL that if any future lines become disused they should be offered to us as a matter of priority.

10.45 Smartcards—it is important that these should allow for cycle reservations.

10.64 Car Parking—Care should be taken about increasing peak hour congestion by encouraging car traffic to stations. Figure 10.2 shows that this topic actually ranked second from last in passengers’ views.

Cycling and Rail

There is already a wealth of material available on this. It is important that this is recognised, so as to hasten the industry’s understanding of this subject.

(a) Bike and Rail

This is the title of a good practice guide published by the DfT and Countryside Agency in 2004. It contains a number of case studies, complete with a “Measure of success” and “Lessons learned” sections.

There is a very useful brief summary, published as Traffic Advisory Leaflet 4/04.

(b) Northern Rail Cycling Strategy

Produced in 2007—with advice from Sustrans, the CTC and Northern’s Cycle Users Forum—the above could serve as a template for a national strategy, and we commend it to the Committee. It is short and easily readable. Key quotes include:

— “As a company we are committed to promoting sustainable transport in all forms, as part of a seamless transport chain”.

— “It makes commercial and ethical sense for us to promote cycling . . . and we recognise the leisure potential as well, as utility cycling for our business”.

— “We will work with local authorities and major employers on ‘travel planning’ programmes to promote alternative options to car dependence”.

The Strategy explains how partnership working takes place and how Northern’s Cycle Users Forum works. We commend the latter and urge the Committee to recommend this concept to all rail companies.

There is an extremely useful discussion on the various issues concerning cycle parking at stations, and another examining the current difficulties about on-train carriage. Further sections on:

— Cycle Tourism and Rail.
— Promotion.
— Resourcing the Strategy.
— Good practice in the UK and beyond.
— Links to other Northern initiatives.
(c) On-train carriage

This is a complex issue and Sustrans accepts that route usage and capacity varies greatly. This does mean that cycle restrictions on some peak-hour commuter routes are justified.

Nonetheless, for most services some bookable, reasonably priced cycle reservation scheme is required. For lightly used services free “turn up and go” carriage should be the norm.

We feel that the solution is much greater use of flexible space and that areas of tip-up seating in particular could be employed. At the same time better levels of dedicated luggage space should be provided, to prevent the “invasion” of spare room by cases, etc.

(d) Safe Routes to Stations

Our Information Sheet FF40 is a full explanation of this concept. Clearly this work should be done in partnership between the rail industry, local authorities and user groups. We outline the following:

Benefits of Safe Routes

— To reduce localised peak-hour congestion.
— To allow TOCs to reduce the need for costly car parking provision.
— To enhance the ‘whole journey’ experience for rail passengers.
— To improve safety.
— To benefit public health.
— To ensure best use of public money.

Barriers and overcoming them

The issues faced by rail passengers wishing to travel on foot or by bicycle can be summarised as follows:

— Poor signage.
— General poor approaches to the stations themselves.
— Severance from the local population, by road, river or the railway line itself.
— Lack of safe route continuity.
— Long detours.
— Inconvenient location for current catchment area.

A checklist to encourage cycling

Physical improvements

— Create direct, priority, safe and attractive routes from each residential area, as well as linking to the town centre and major areas of employment.
— Provide real advantages for cyclists—short cuts, two way cycling on one-way streets, exemptions at street closures, cycling through pedestrianised areas, minimal delays at junctions and lights.

Information

— Most stations have local information points. There is an opportunity here to include maps showing local walking and cycling information.
— Leaflets showing routes.
— If visiting, encouragement to hire bikes as the best way to see the town.

Resources at Stations

— Ample parking under cover, conveniently located for entrance and platforms with good surveillance.
— Left luggage at stations.
Remote entrances

These should be at the start of dedicated, signed walking and cycling routes to the station. The idea is to increase the visibility of the station within the community, and to provide real time train information.

These should be located in shopping areas, near hospitals, colleges and other places from where large numbers of people will wish to access the station. At the very least they would have up to date timetables.

Passengers should be able to buy tickets from these remote entrances in order to save time at the station itself.

Signing

Signing programmes are absent from almost all UK stations. Sustrans considers that the following programme of signing is required, and that it should all be thought through from the viewpoint of a first time or infrequent rail traveller.

— A clear sign on the station building, which is visible from a long distance along each approach, so as to emphasise the final destination.
— A clear sign at each remote “entrance” making it clear to all passers by that this is the way to the station for pedestrians and cyclists, how long it will take and exhibiting timetable information.
— Continuity signing for pedestrians and cyclists to reassure constantly that one is on the way to the station, with distance/time to go at five minute intervals if on a long route.
— Ensure that all town maps and guides mark these routes to the station, starting from each “entrance”.
— In reverse, key routes for arrivals should be marked with similar logos, for the town centre, the bus station, the hospital, the college, bearing in mind those destinations most likely to be visited by strangers.

Walking Checklist

Physical improvements

— A high quality walking route to give access to the heart of the town and other important locations from the station entrance.
— Raised pavement crossings and priority at side junctions.
— Priority or longer timings at signalled crossings.
— Continuous signing showing distance and walking time to the station. Wider pavements, with fewer obstructions.
— An improved cleaning and maintenance regime along with planting will make for a more attractive environment for pedestrians.

Information

— Town plans at stations and at key modes along the walking route are especially useful for visitors and those less confident finding their way to and from the station by foot.
— Real time train information available through a screen in the town centre and at other locations such as a hospital, major employer, college etc.
— Leaflets at the station showing the route, town centre destinations and attractions.

(c) Cycle-Rail Task Force

We welcome the proposed formation of this body, but it is disappointing that neither the CTC nor ourselves have been invited to join it.

(f) New Rolling Stock

The White Paper mentions several forthcoming builds of new rolling stock. It is crucial that standards about flexible space/cycle carriage are agreed in advance of these programmes.

(g) New franchises

Opportunities for better Bike/Rail integration—as outlined above—have clearly been lost in the past when new franchises have been awarded. We urge the Committee to state clearly that any future franchise awards will incorporate these aspects.
CONCLUSION

Better linkage of cycling and walking to rail can offer real alternatives to many urban car trips. This has important implications for congestion reduction and cutting carbon emissions. We urge the Committee to see that the rail industry is fully committed to this line of positive integration.

October 2007

Supplementary memorandum from Sustrans (RWP 36A)

CONNECT2

As we stated in our oral evidence to the Committee on 5 March 2008, Sustrans won the £50 million “People’s Lottery Giveaway” in December 2007. Decided by public vote this money will help transform local travel in 79 communities, UK wide, by creating new crossings and bridges to overcome barriers such as busy roads, rivers and railway lines. The Lottery Grant will attract another £100 million from a wide variety of sources. Many of the Connect2 projects include links to stations.

As examples three projects from North West England are described below:

Nantwich to Crewe. This is an excellent example of two towns that are within easy cycling distance of each other but are separated by main roads. The scheme sets out to create a rural promenade between the towns. It will be set well back from the main road so as to be an attractive and pleasurable experience for journeys of every kind, in complete contrast to the cycle track adjacent to the road itself. The proposals will connect the excellent riverside walks in Nantwich with the historic Queen’s Park in Crewe which is just about to embark upon a massive restoration. In doing so, it will ensure that both of these wonderful public areas are readily accessible to their local populations on foot and by cycle. (Total Cost of Project: £930,000; Connect2 Grant: £400,000)

Everton Park and the Mersey. Everton Park is a quite extraordinary monument of formal and informal landscaping on a high hill overlooking the Mersey. Whilst the river is quite close to the eye, it is far away if you try to walk or cycle down the jumble of roads lying in the foreground. This Connect2 scheme aims to create something akin to a promenade between the two. It will be tree-lined, largely traffic free and direct, leading all the way from Everton Park through to the historic locks on the Leeds and Liverpool Canal, then descending to Stanley Dock and the quayside itself. Total Cost of Project: £700,000; Connect2 Grant: £200,000

Maryport Station Links. The railway divides much of Maryport from its town centre, docks and promenades. The road crossings are relatively few and all heavily trafficked. This scheme comprises a new bridge over the railway at the station. The location is central to the town and will act as a catalyst for a wide range of direct and convenient journeys on foot and bicycle to the town centre and, at the same time, will focus a network of routes on the station itself. Total Cost of Project: £1,000,000; Connect2 Grant: £375,000

Sustrans believes this makes us ideally placed to enhance our “Safe Routes To Stations” work should funding be available outside the Lottery funded Connect2 process.

Cycle Forums. In our earlier submission we recommended the Northern Rail Cycling Strategy as a model for all train operating companies. Experience has demonstrated that Northern Rail’s Cycle Forum is a most useful vehicle for spreading best practice and experience to a wider audience. The Forum includes all local authorities in Northern England, cyclists organisations’ representatives, Passenger Transport Executives, Community Rail, Cycling England, Passenger Focus, ATOC and other groups as well as Northern Rail’s management.

Sustrans urges the Committee to impress upon other train operators the desirability of developing similar groups.

STATION TRAVEL PLANS

The Station Travel Plans Steering Group held its inaugural meeting at the end of January 2008 to set up a number of Pilot Station Travel Plan schemes. Championed by Stephen Joseph (Campaign for Better Transport) the group’s brief Is to set criteria and to select about a dozen Pilot locations.

Strategy and group membership:

— A travel plan is a strategy for managing the travel generated by an organisation, with the aim of reducing its environmental impact, typically involving support for walking, cycling, public transport and car sharing.
— The 2007 Rail White Paper suggested piloting travel plans at around a dozen rail stations.
— Strong interest from train operators, local authorities and Network Rail, ~ 25 stations have now been proposed as pilots (list below).
— DfT has agreed that ATOC should convene a National Steering Group to oversee the pilots.
— The Group includes TOCs, Passenger Focus, CTC, Sustrans, CBT, Network Rail, Local Authorities & TfL.

The meeting decided to invite local authorities to suggest schemes and this expanded list will be discussed at the April meeting (original list below). Key to any work outside and inside any station is funding. To establish Safe Walking and Cycling Routes to Stations local authority commitment and funding is essential, and similarly if facilities at stations are to attract more sustainable use the involvement of train companies (and possibly developers) is key.

Potential pilot stations (as of 30 January 2008 and liable to change) are: Balham, Greenwich, Edmonton Green, Colchester, Huddersfield, Hull, Manchester Airport, Darlington, Eaglescliffe, Middlesbrough, Thornaby, Benfleet, Southend Central, Accrington, Chorley, Bristol Parkway, Lancaster, Manchester Piccadilly, Edinburgh Waverley and six in Warwickshire (TBC).

Railway funding sources include Network Rail’s “National Station Improvement Programme” (NSIP) intended to deliver improvements at about 150 stations with £150 million of DfT funds. It is expected that this sum will be supplemented by developer contributions and money from Train Operators (usually from franchise commitments). The DfT also have a further scheme—Access For All—whose purpose is to upgrade selected stations to DDA standards and can include ramps and lifts.

Cycling Demonstration Towns, especially the next tranche, also have potential funding.

The Station Travel Plans Steering Group has no funding to distribute.

Sustrans request the Transport Committee to impress upon the DfT the need for resources to be made available.

Station Travel Plan Pilot Stations should to be examples of good practice, where walking/cycling routes are attractive and direct, including opening alternative entrances. Secure and prominent cycle parking will assist train operators in encouraging passengers to change from car to bike.

Were funding provided, Sustrans would be very willing to undertake a study of potential ‘Safe Routes to Stations’ at Pilot Station Travel Plan locations.

**CYCLE RAIL TASK FORCE**


Their 2 work streams include:

— *Cycle facilities at stations:*
  — Nominating four to six stations as “Cycling Demonstration Stations”;
  — Assessing the business case for cycling provision—how to appraise the cost-benefit of installing cycle parking (ie Does it increase passenger numbers);
  — Potentially developing a best-practice guide to Cycle Parking Provision.

— *Carriage of cycles*
  — Exploring barriers to concurrent booking of cycle and passenger tickets/reservations with through ticketing for cycles);
  — Understanding the reasons for TOC’s Terms of Conditions of cycle carriage;
  — Understanding how widely TOC cycle carriage policy is publicised (eg through timetables).

Sustrans is not a member of this group, though we do feel our experience and expertise would be beneficial.

**FRANCHISE PROCESS**

Although the Department of Transport Rail Franchising process includes a general consultation provision it is difficult for stakeholders like cycling groups to enter into discussion with bidders. At the pre-qualification stage, when bidders are invited to tender, it would be helpful if the bidders would engage with representatives of cycling organisations in order to include within their “bidder-generated options” (ie Franchise commitments that have no cost to DfT) improvements to cycling provision.

Sustrans urges the Transport Committee to recommend to DfT that franchise bidders consult cycling representatives at the “invitation to tender” stage in the bidding process.
ROLLING STOCK PLAN

At the end of January 2008 the Department for Transport announced the Rolling Stock Plan (RSP) to enable the English Train Operating Companies and Network Rail to deliver the additional capacity outlined in the Rail White Paper 2007. Previously the DfT announced the Intercity Express Programme (IEP) to develop new generation trains for longer distance travel. Although both IEP and RSP give indications to the numbers of new trains (or carriages) planned there is no clear way that organisations representing sustainable travel may have an input into the design of these vehicles. It is essential that new trains are designed to accommodate cycles in dedicated storage areas (especially long distance trains) and/or flexible space (perhaps with ‘tip up’ seating).

Sustrans recommend that cyclists’ representatives be invited to join consultation on the layout of any new trains.

CONCLUSION

By encouraging cyclists and pedestrians to travel to and from stations in a sustainable manner the railway will be better able to meet the rising demand for access to public transport. Our recommendations are aimed at providing the environment where this can be achieved.

March 2008

Memorandum from Mark Blathwayt (RWP 37)

How shall strategies address the real needs of:
1. The disabled, the elderly, and anyone with special mobility needs?
2. Those who wish, or need to live close to railway stations for reasons of convenience, or environmental conscience?
3. Planners and environmental philosophers trying to guide the growth of both transport and development in a sustainable way? The two are linked endeavours.

INTRODUCTION

How will a Rail Strategy for the next 30 years keep up to date, actively, with the needs and expectations of a population that expects increasingly to be able to travel by train in dignity and comfort in sickness and in health whether disabled or not?

How will a railway strategy for the next 30 years address the following reality? If populations generally are to use cars and aeroplanes less and with greater responsibility and regard to the environment, will they be able to use trains more instead or will they be “priced off”? What will be the social and economic and civic costs of such immobility?

How will a strategy for the railways recognise that as environmental pressure grows, disabled people too may not wish to drive long distances in adapted cars but will wish to take their powered wheelchairs and small electric scooters on trains?

It may be an easy catchy mantra-like phrase to repeat:

“There are only two sources of funding for the railways; The Fare Payer or the Tax Payer”

However, it can blind the public to a deeper truth. The statement is a trap for the unwary, the ill informed. It cleverly conceals reality. If decisions on the railways discriminate against the disabled or the poor or the sick, all society, not just taxpayers and fare payers pay extra costs that sometimes do not appear on balance sheets until later. These costs badly disconnect Society.

If decisions about railway strategy ignore the strategic value to society of all people whatever their different ability or different disability, then everyone in society suffers and there is damage done to the fabric of society and the environment which costs far more to correct in the long term.

The “Bath Spa Briefing Paper” given by Planet Practice to the Transport Committee on 23 May 2006 detailing the thoughtlessly blind damage being done now at Bath Spa railway station is a representative illustration of how damage can be caused to the interests of disabled people and by extension, all society if plans are not fully consulted on in a fully imaginative and integrated way. Exclude the disabled and directly or indirectly you exclude yourself. That is not good tactics. That is not good strategy.
ACCESS FOR THE DISABLED AND ALL WITH DIFFERENT ABILITIES?

A rail strategy must include the disabled and give them power to travel on trains. A senior (40 year old) representative of the Association of Train Operating Companies (ATOC) said to a railway conference “If ever I am disabled, I will hope to be able to use an electric scooter wheelchair and I shall expect to be able to take it on trains”. Sir Bert Massie reminded all of us that the only honest answer to the question “Are you disabled?” is “Not yet”.

By the end of the review period, the ATOC member quoted above will be in his 70s. If he, or someone within his family, uses an electric scooter by then, will he or they, you or someone you know be welcomed, with their scooter on to trains, or will current discrimination by regulation still be legal? On the evidence of within his family, uses an electric scooter by then, will he or they, you or someone you know be welcomed, with their scooter on to trains. Sir Bert Massie reminded all of us that the only honest answer to the question “Are you disabled?” is “Not yet”.

By the end of the review period, the ATOC member quoted above will be in his 70s. If he, or someone within his family, uses an electric scooter by then, will he or they, you or someone you know be welcomed, with their scooter on to trains, or will current discrimination by regulation still be legal? On the evidence of the last 20 years one cannot be entirely confident that all the needs and opportunities will be recognised.

HARD TRUTHS ABOUT THE PRESENT

Virgin Trains were the first railway company to embrace the idea and reality that every new railway carriage should be wheelchair accessible and that if such a railway carriage had a W.C. that toilet too should be wheelchair accessible. GNER welcomed electric scooters onto their trains. Not all railway operating companies share that vision.

BOTH COMPANIES RECENTLY LOST FRANCHISES.

It is hard to understand the mentality of those who awarded the latest Cross Country franchise linking Penzance to Aberdeen to an outfit that could only meet simplistic Government demands and expectations by removing a wheelchair accessible toilet, one of several changes, to secure a mere 14 extra seats.

Is this what wounded servicemen and women in Headley Court and Selly Oak hospitals are expected to put up with? A railway fit for heroes or a railway unfit to be called a public service? Disabled or not, can a trolley service really cater properly on a journey that might stretch from Cornwall to Scotland?

Waterloo International is about to close. Will all that investment there in international capacity really not be needed again in the future? How else will we get to continental Europe? By plane? Might we need to safeguard Waterloo for expansion one day?

St Pancras, due to open on 14 November 2007 revives, with greatly improved timing, the achievable prospect of passenger trains from the Northern regions of England and Scotland running direct through the Channel Tunnel to the regions of Europe. Freight trains already do this, why not passenger services? This is how traffic and profit grows.

A national transport policy that is truly green and sustainable cannot afford to ignore the benefits to the Regions that are deliverable by better direct train services that are not necessarily shackled to London or Paris. The rail option must be developed to ensure that international travel can grow without the greater CO2 emissions and acute atmospheric pollution associated with the recent exponential growth of air travel from regional airports.

THE TREATY OF CANTERBURY WAS SIGNED AND THE CHANNEL TUNNEL ACT BECAME LAW IN 1987

In that same year Reverend Albert Carette immediately drew to the attention of the travel industry that the Society of Our Lady of Lourdes would expect to be able to use the new channel tunnel for Pilgrimages to Lourdes. Like many others, The Society of Our Lady of Lourdes, which was founded in 1912, had organised pilgrimages to Lourdes for the sick every year except during the wars. Father Carette expressed the request that when the Channel Tunnel was built it should be able to accommodate Pilgrimages of the Sick. He was told that SNCF (French Railways) were well aware of this humanitarian need. Accordingly Section 40 of the Channel Tunnel Act made provision that journeys might be made through the Channel Tunnel from the regions of Britain to the regions of Europe. From Aviemore to Zurich, from London to Lourdes, indeed from Lourdes to Edinburgh, through journeys would be possible and much in demand.

Construction of 139 special carriages began using £138 million Government Funding to permit overnight trains to and from the regions of the UK. People were told, subsequently, that it was perceived that this possibility had posed a serious threat to those airlines that wished to expand inter regional air services. “Who would ever want to go to Europe by train from Scotland” went the argument. Never mind the needs of the Sick or the benefits to the planet’s environment. Never mind that the Australians support longer overland journeys with the “Ghan” from Darwin to Adelaide. All 139 carriages were sold to Canada at a book value of £12 million for the whole lot. Why did a Monopolies or a Competition commissioner not look at any role that may have been played by an airline stakeholder, or their marketing consultants, in that decision?

What is needed now is action and funding for growth of the railway network root and branch. Serpell and Beeching Reports sought to prune cut and kill. The vigorous railway, like a beautiful fruit tree, needs support feeding and defence from predators if it is to garner to the public the fruits of “access for all” to a railway network that must become increasingly relevant to every aspect of every citizen’s life.
The environmental costs and the benefits of new rail links to the north of Britain from the channel tunnel are favourable.

The amounts of land required, the changed legislative climate and the fairer more generous compensation now offered, the quicker timescales for construction and lower costs that result all compare favourably with those same environmental and social impact factors that were assessed in expanding the road and motorway network.

We cannot waste time. Strategic Plan does not mean working hand to mouth seeing what turns up.

**HOW NEW IS THE FUTURE?**

Are there other strategic matters that this 30 year look into the future should examine?

1. If there is to be a new barrage or other tidal power generation scheme on the Severn Estuary, will a new railway route be reserved over it better to link South Wales with the English Channel ports and the Channel Tunnel? Would it be good were any such new railway links to be used not only in the construction of such projects but were designed for later use by TGV, by passengers and freight?

2. Already the case for increased North South railway capacity from the English Channel to north of the Firth of Forth is well argued. Such a railway must integrate with the railways of Europe. This means a line that will accept trains running, on continental loading gauge tracks at the highest speeds achievable by conventional Eurostar and TGV High Speed Trains. Existing capacity of the existing lines can then be freed up to carry the predicted growth in domestic and regional freight and passenger traffic.

3. It must be remembered that a road strategy evolved and motorway networks between south and north Britain were built within timescales and at environmental costs that were recognised to be desirable in strategic and social terms. If it could be done for roads it can be done for railways.

4. The example of the Channel Tunnel High Speed Link shows clearly how modern legal procedures, generous non-puritanical compensation schemes and modern construction and management techniques combine to make systemic efficient railway construction swifter and more accurate to budget than ever before.

**SUMMARY**

The advantages to the Nation and to the community of Europe of a properly thought out railway system linking the regions of Great Britain to the regions of the European landmass have been understood well since suggested by I K Brunel.

Recognition of goals is only a step on that journey. It must be a strategic goal that the railway system must welcome all people, whether in wheelchairs or electric scooters or not. The sick and the sports lover, the family or the single traveller, those on business and those going on holiday or to study must all be included. Anything short of that is a poor tactical failure not a Strategy for the Railways for the next 30 years.

*October 2007*

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**Memorandum by the North East Combined Transport Activists Roundtable (NECTAR) (RWP 38)**

**INTRODUCTION**

The North East Combined Transport Activists Roundtable (NECTAR) is an open, voluntary, umbrella body, established to provide a forum in which the many organisations with an interest in transport in all its forms can develop a coordinated view on contemporary transport issues. NECTAR member organisations are concerned to promote better provision for public transport, walking and cycling, seeking to optimise accessibility, safety, good health and the quality of life for all. NECTAR members believe that a seamless, door-to-door public transport is essential if this country is to address the climate change and energy challenges it faces.

The railway network, as part of an integrated public transport system, has a key role to play. In order to achieve its potential the railway needs significant change, and the White Paper provides a good opportunity to spell out how this can be achieved and to what ends. Three aspects are crucial:

- Much more of the network needs to be electrified;
- The quality of railways (and public transport in general) needs to be made more attractive to prospective users;

...
The price trends of the past 30 years, in which the real cost of motoring has declined in real terms while bus and train fares have increased, need to be reversed.

Transport needs to be seen in the round, with issues such as land use planning of particular relevance. Reducing the need to travel remains of key importance.

A Vision For The Railways

The White Paper Delivering a Sustainable Railway (1) has a 30 year timeframe, but there doesn’t appear to be a vision of what the railway (or indeed any other mode of transport) will look like when all the measures proposed come to fruition. The word “vision” only crops up twice, once as a footnote referring to a TfL document and a second time on p 121 in connection with the environment.

This lack of vision is hard to understand when the Government’s Foresight Programme (Office of Science and Technology) (2) and the DfT’s own Scenario Planning Toolkit (3) have attempted to paint an image of how the country will look and what its transport needs will be. Indeed, the former Minister of State Stephen Ladyman said this in January 2006: We can either stumble into the future and hope it turns out all right or we can try and shape it. To shape it, the first step is to work out what it might look like.

The White Paper quotes the substantial increases in demand for rail travel, but neglects continuing increases in road traffic, and by implication increasing demand for transport overall. The content of the white paper seems to be very much business as usual, with only minor incremental improvements and large increases in fares prescribed. Quite how this will make sustainable modes of transport more attractive to those who habitually drive or fly is left unstated.

Transport is of course essential to a competitive economy, and one of the commonly cited reasons for the relatively poor performance of the North East is its peripheral location. The White Paper has not perceived the rapidly expanding network of high speed rail services across continental Europe, or the competitive disadvantage to the UK resulting from the lack of a similar network.

Context

As the White Paper acknowledges, the railway has to be seen in the context of several other issues, principally planning and local transport, both of which are at present in a state of flux. Deficiencies in the White Paper will contribute to difficulties elsewhere: conversely, even if the railways delivered the whole of their potential, this would not overcome shortcomings in these other areas.

The draft local transport bill, in particular, could usefully be amended to allow transport authorities more say in the running of the railways. If this is not done, railways are unlikely to contribute to the overall provision of public transport in their locality.

The absence of railways from the planning bill is another missed opportunity to move towards an integrated public transport system.

Energy Policy and Climate Change

The context in which a long term strategy must operate has to include measures that will make a serious dent in the transport contribution to national carbon emissions. It has also to recognise that oil is becoming an increasingly scarce commodity. A combination of steeply rising global demand coupled with increasingly apparent limitations to the rate at which existing fields can be exploited (“peak oil”) means that business as usual is not a sustainable response (4). While the sentiments in the white paper pay lip service to these considerations, the lack of ambition of the strategy means that the railways will not be able to pull their weight as fossil fuel scarcity increases.

In particular, the specification of the new inter city train and the “go anywhere” replacement for diesel and electric multiple units is implicitly dependent on a continuing supply of oil. It is scarcely conceivable that this will be readily available in 30 years’ time.

The Environment chapter of the white paper argues that developments in hybrid technology, biofuels and hydrogen fuel cells will improve the carbon performance of self-powered trains. However, the consensus of scientific opinion is that biofuels cannot provide more than a small proportion of global transport fuel demand (and then at the cost of serious food shortages), and that hydrogen fuel cells are still a very long way off. Heavy investment in a motive power reliant on increasingly scarce oil supplies is therefore questionable.

However it is generated, the only non-fossil transport fuel is electricity. To make use of it requires significant expansion of the electrified network. Unfortunately, the White Paper shows no ambition for further electrification, even of small ‘in-fill’ sections that would make more efficient use of the existing electrified network.
PREDICT AND PROVIDE?

In many places the White Paper emphasises the need for flexibility in order to respond to changes in demand. While a flexible approach has much to commend it, too often recourse to flexibility seems to be a substitute for investment to meet demand that can reasonably be foreseen. In many parts of the country, as the White Paper acknowledges, that demand is already here. This reticence is in stark contrast to many road and aviation developments, where a substantial increase in demand is assumed and investment made to meet it. While the Government claims to be making substantial investments in the railways, its track record in scrapping tram schemes and dodging the issues responsible for declining bus use outside London, while continuing to build roads and airports, gives a truer picture of its priorities.

CAPACITY

Even in the North East of England, many peak hour services are overcrowded. This will get worse as passenger numbers increase and there is no short term increase in capacity. If congestion charging is introduced in the major cities of the region, this will exacerbate the problem.

The White Paper clearly understands that capacity is a serious concern, but hasn’t grasped that franchising decisions such as Cross Country requiring more changes at Birmingham New Street will make things worse rather than better. The DfT seems happy to spend huge sums of money widening the M6 when this sort of money invested in the railways would give significant capacity gains.

Making the most of the existing infrastructure embraces extending peak services so as to spread increasing numbers of passengers over longer time intervals, and not ending services early in the evening. The White Paper makes the very welcome commitment not to close lines over the plan period. However, this comes after the introduction of a new closure procedure that was specifically intended to take such matters out of the hands of ministers!

FARES

Recent franchise awards have prescribed fare increases significantly above inflation. While in principle it is only right that the prices of different modes of transport should reflect their real costs, it is imperative that there should be a shift from aviation and road transport to buses and trains. At present, only quantifiable financial values seem to appear in calculations, and little or no heed is paid to the environmental costs of different modes of transport. The present price signals vitiate the Government’s aspirations for modal shift, and the consequences in terms of greatly increased traffic volumes are plain for all to see. Government strategy amounts to exhorting citizens to do the right thing while seeing that the wrong thing pays. This amounts to a policy of impoverishing the virtuous to the benefit of those who don’t care.

QUALITY OF SERVICE

The recognition that the White Paper makes, that rail passengers have legitimate expectations that the quality of service will be sufficient for their needs, should be too obvious to require mention. In particular, the observation from Passenger Focus, that delays of more than 30 minutes are particularly irksome to passengers is very welcome. It is unfortunate, therefore, that there are no concrete measures in the White Paper to enshrine this principle. Amending the conditions of carriage, for example, to require train operators to take action when delays of this magnitude occur (instead of the present 60 minutes) would encourage the industry to raise its game.

OUR VISION FOR THE NORTH EAST OF ENGLAND

The Northern Way (5) has recently published a report on short, medium and long term priorities for transport, based on its Transport Strategic Direction. This process was part of the Northern Way’s objective to close the output gap between the North and South of England. The priorities for rail were further rolling stock provision, a northern [loading] gauge strategy to connect the Mersey, Humber and Tees freight ports to wider markets, develop the Manchester hub (seen as critical in addressing capacity constraints throughout the North of England), further development of Transpennine routes, and development of a North—South rail strategy.

Some of the North East already enjoys fast links to London via the East Coast Main Line. Prosperity in the North of England would best be promoted by fast links between its cities and city regions. We would like to see high speed services, not only to London and Scotland, but also to Leeds, Manchester and Liverpool (much faster than current Transpennine Express services), and to the Midlands, South and South West.
As well as these rail links to other parts of the North of England and other parts of the UK, we would like to see rail services properly integrated with other forms of public transport and the delivery of a modern railway fit for purpose 30 years hence. This would give public transport options to residents of rural areas. It should not be forgotten that the North East of England contains some of the most sparsely populated parts of the country.

The end result of this would be a transport system for the whole of the UK which was not mainly dependent on road and air transport. Integrated public transport would be an attractive alternative.

The White Paper explicitly prioritises increases capacity ahead of reduced journey times and comes down against a new high speed line between the South and North of England. To remain competitive, Britain needs high speed rail links between all the key hubs of its regions, not just London. The rapidly evolving high speed rail map of Europe serves to emphasise this point.

**Getting from Here to There**

The Government has decided against further change in the structure of the industry. While a period of stability is welcome, we still question whether the current structure, still having many interfaces between commercial firms who don’t seem to have any overriding interest in cooperating with each other, will help the railway deliver on its potential. In particular, the number and volume of contracts between component organisations, and the number of lawyers and accountants required to police them, diverts large amounts of money and management time from running the railway.

For example GNER has relinquished its franchise, necessitating an expensive refranchising exercise. Another telling example is that the provision of extra carriages for the Virgin West Coast and Transpennine Express franchises is handicapped by the failure to conclude negotiations between different organisations within the industry. The inability to deliver for several years extra carriages to train operators whose passengers badly need them today is hardly a ringing endorsement of the existing structure.

In seeking to make practical progress with rail enhancements, we would suggest the following principles:

— go with technology already proven across the EU;
— accepting that signalling enhancements are best introduced with electrification, as the White paper suggests, the European Rail Traffic Management System (ERTMS) development should not be allowed to delay the network developments needed now. ERTMS is an opportunity for the future; and
— open the door to active development of an electrified network and the provision of high speed rail lines, as these provide an environmentally sustainable alternative to air travel, and will also free up capacity on existing main lines.

**Conclusion**

Transport issues currently enjoy a high profile, and the challenges facing the nation are much debated. The White Paper provided an opportunity for the Government to shape the railway network in a way that might make a major contribution to meeting these challenges in the decades to come. Unfortunately, the White Paper ducks these challenges, lacking the ambition, vision or an investment strategy sufficient to meet current demand, let alone that which may reasonably be forecast to occur in the future. This stands in stark contrast to roads and airports where predict and provide continues to reign supreme, to the detriment of the environment in which we all have to live.

**REFERENCES**


4. Peak oil is a highly contentious field, and we make no claim to be experts. For a concise account, see evidence given on 10 May 2006 to the Environmental Audit Committee enquiry on Reducing Carbon Emissions from Transport by Chris Skrobowski, Editor Petroleum Review, ninth report of the House of Commons Environmental Audit Committee, Ev 136, http://www.publications.parliament.uk/pa/cm200506/cmselect/cmenvau/981/981-ii.pdf


*October 2007*
Memorandum from Telford & Wrekin Council (RWP 39)

Summary

Telford & Wrekin Council:

— Welcome being able to comment on Delivering a Sustainable Railway White Paper.
— Believe the rail White Paper does not sufficiently address the needs of growth points such as Telford and the role of the railway in supporting their continued development.
— Believe direct rail services to Birmingham International Airport are crucial to the future economic growth of the Borough.
— Welcome redevelopment of Birmingham New Street.
— Would urge that measures to expand capacity along the West Coast Mainline between Wolverhampton and Birmingham are addressed by four tracking to improve reliability and create space for more services.
— Welcome the development of a “Strategic Freight Network”.
— Welcome the availability of funding to improve access to stations and general station facilities are working in partnership with the rail industry to improved passenger and parking facilities at Telford Central in Support of the Redevelopment of Telford Town Centre.
— Believe that targeted electrification schemes such as an extension from Wolverhampton to Shrewsbury would benefit the whole West Midlands as well as Telford & Wrekin.
— Welcome the simplification of the fares structure and the introduction of station travel plans.

1. Introduction

1.1 This paper sets out Telford & Wrekin Council’s views on the Government White Paper Delivering a Sustainable Railway.

1.2 The paper also sets out the context for Telford & Wrekin’s transportation needs, in particular rail.

2. Context

2.1 Telford currently has reasonable transport connections with links to the national motorway network with direct access to the M54 and direct rail services to Birmingham New Street Station where onward connections can be made to the national rail network.

2.2 Telford & Wrekin is an expanding area with Telford urban area recognised as a sub-regional growth point in the West Midlands—Regional Spatial Strategy (WMRSS).

2.3 The emerging housing growth target for Telford & Wrekin set out as part of the WMRSS review is for 26,500 homes between 2006 and 2026. Growth will be concentrated at strategic sites around Telford including the Ketley Millennium Community, Lawley (the largest urban extension in England with 3,500 homes) and Lightmoor (developed in partnership with Bourneville Trust). Significant levels of housing are also included within re-development plans for Telford Town Centre which will undergo a phased regeneration to create a “living” cultural, social, employment and retail hub for the town and act as a key sub-regional attraction.

2.4 The continued economic success of the Borough is increasingly dependent on the ability of companies to access customers and markets outside Telford & Wrekin in particular the West Midlands, London, Europe and International destinations.

2.5 Telford & Wrekin’s geographical position, the western side of the West Midlands conurbation, can act as a barrier to accessing markets especially outside the region.

2.6 The M54 provides a good road transport link however this is often negated by the increasingly heavy congestion on the motorway network around the West Midlands conurbation.

2.7 In terms of rail Telford & Wrekin is served by one stopping and one semi-fast service per hour with direct links to Birmingham, Chester and Aberystwyth (via Shrewsbury). The existing frequency of service does not recognise the current and planned levels of growth that both Telford and Shrewsbury are experiencing and the increase in passenger traffic along the route (113% increase at Telford 1994–2004). Semi-fast services operated by Arriva Trains Wales are also very poor in terms of quality of rolling stock and punctuality of services which is a likely factor in dampening existing and future demand for rail.

2.8 Lack of direct services to Birmingham International and London has also been a significant detriment to Telford & Wrekin since the last service was with drawn in 2001. The Council have been working with key stakeholders including Shropshire County Council, Shropshire Chamber of Commerce and Department for
Transport to build an effective business case for the extension of existing London to Wolverhampton high speed services to call at Telford and Shrewsbury. The business case has been recognised as robust by the Department for Transport, however they state resources are not currently available for such a scheme.

2.9 As well as seeking improved passenger services the Council have been working with strategic partners including English Partnerships and the Ministry of Defence to provide Telford with a multi-modal rail freight terminal. The terminal will increase accessibility to the Borough and help reduce HGV movements especially on the congested West Midlands motorway network.

3. WHITE PAPER

3.1 Introduction

3.1.1 Overall the Council welcomes the White Paper’s approach of developing a long term strategy for rail within the United Kingdom, with increased investment in the capacity, reliability and safety. The strategy provides a generally sound basis for the planning and development of rail services.

3.1.2 The Council recognise that the White Paper goes some way to addressing railway issues faced by the Borough, but it does not fully take account of the needs of growth point such as Telford & Wrekin.

3.2 Birmingham New Street

3.2.1 A welcome development is the commitment to the redevelopment of Birmingham New Street Station. The Council support the view that the current facility is both an inadequate gateway for Birmingham and acts as a constraint on the growth of both national and West Midland’s rail networks.

3.2.2 The Council would like to see a firm commitment to increasing capacity between Wolverhampton and Birmingham by “four tracking” the route which is currently one of the most congested mixed use sections of line in the UK.

3.2.3 The Council welcome the proposals to lengthen trains especially during the peak periods as peak services into and out of the West Midlands are increasingly busy. However, without increased capacity along the route the provision of extra services where needed to growth areas, such as Telford & Wrekin, outside the core West Coast Mainline will be increasingly difficult.

3.3 Direct access to Birmingham International Airport (BIA)

3.3.1 The key rail priority for the Council is the establishment of a direct rail link to BIA which has the “highest proportion of business traffic second only to London Heathrow”. BIA’s “Airport Surface Access Strategy” names Telford as a target area for additional through services.

3.3.2 There are currently over 130 overseas owned companies within the town and access to an international airport is crucial to growing and retaining these businesses. A high quality rail link to an international airport will also help encourage new companies to relocate to the area. Currently passengers from BIA have to change at a congested Birmingham New Street and a long wait for the often delayed semi-fast services and then a journey on poor quality rolling stock (Arriva 158 units) does not present a very good impression transport services and the UK as a whole.

3.3.3 The Air Transport White Paper Progress Report (2006) sets out two key points concerning the growth of BIA:

3.3.3.1 development of plans to extend the existing runway to 3000 metres because of the growing demand for long haul charter flights and to enable new direct services to destinations in Asia, the Far East and the USA. The extension would be operational by 2012

3.3.3.2 a planning commitment to increase public transport modal share to 20% by the time passenger numbers increase to 10 million passengers per year (Air Transport White Paper Progress Report 2006)

3.3.4 The Council welcomes the commitment to increase public transport mode share into BIA to 20% and believe that effective planning and timetabling of rail services can make a significant contribution to this objective by increasing the choice of destinations directly accessible by rail. This would help remove cars from the West Midlands motorway “box” and reduce pressure for more car parking around the airport thereby increasing development opportunities as well as having associated environmental benefits such as reduced carbon emissions.

3.4 Direct Services to London

3.4.1 Direct services to London are a key aspiration of the Council and the approval of the Office of Rail Regulation for Wrexham, Shropshire & Marylebone Railway to run direct services through Telford to London is a most welcome development. The Council support the view that where the franchise system is unable to fill an identified gap in the market then open access proposals should be supported.
3.4.2 The White Paper makes no firm commitment to network wide electrification and states that any such projects will be considered on a case by case basis. As set out in point 2.7 the Council have been working with a number of stakeholders to develop a business case for through (high speed) services to Birmingham International and London that includes the option to electrify the line from Wolverhampton to Shrewsbury.

3.4.3 Electrification of the line from Wolverhampton to Shrewsbury would form a natural extension of the current Wolverhampton to London services. Another associated benefit of electrification would be electric local services with faster journey times, improved reliability and the potential to accommodate additional services especially during peak periods. Gauge enhancements from electrification would enable deep sea container types to access the Telford Rail Freight Terminal from the West Midlands direction improving Telford economic competitiveness.

3.5 Rail Freight

3.5.1 The Council have actively encouraged the development of rail freight in the Borough as the lead agency on the inter-modal Telford Rail Freight Terminal project and as such welcome the development of a national “Strategic Freight Network”.

3.5.2 The improvement of routes to increase gauge clearance would be most welcome as current gauge clearance between Telford and Wolverhampton restricts the size of containers and direct access to the West Coast Mainline. With a large proportion of large foreign manufacturing companies within Telford & Wrekin a significant amount of trade will need to access both the channel tunnel and channel/east coast ports providing a ready made market for rail freight.

3.5.3 The Council would urge that resources are allocated to improve access to terminals such as Telford which on the fringe of the West Midlands will help to reduce lorry movements onto the congested West Midlands motorway network by shifting freight traffic from road to rail.

3.6 Fares and Ticketing

3.6.1 Simplification of the current fare structure is a welcome development especially for longer distance travel as the current structure is both complex and confusing for customers. The Council believe that customers care little about which train operator is running the service and simplification of fares structures should help remove some of this confusion.

3.6.2 In terms of cost of rail travel the Council welcome the retention of the RPI + 1% cap on regulated fares as a means of ensuring value for money rail travel continues to be available.

3.7 New funding streams

3.7.1 The Council welcomes the availability of new funding streams for the rail industry such as “access for all funding” and inter-mediate station improvement funds. Much of the rail infrastructure is not designed for modern needs which can create many problems for users with mobility problems. Continuation of funding for small/medium scale improvement schemes is an important mechanism in improving the quality of the rail travel.

3.7.2 Telford & Wrekin will fully investigate potential projects in partnership with the rail industry for both the access to stations and general station improvements to complement Council investment through the Local Transport Plan process. The Council recognises that railway stations are crucial parts of public infrastructure and if allowed to deteriorate, can encourage anti-social behaviour and discourage rail use.

3.8 Station Travel Plans

3.8.1 Over the course of the first Local Transport Plan 2001–06 Telford & Wrekin Council significantly improved access to the rail network through a number of measures including re-routing a large number of bus services through Telford Central which was not previously served by any. The introduction of Travel Plans for railway stations would help build on this success and demonstrate the railways commitment to improving access to the network.

3.9 Conclusion

3.9.1 Overall the Council are encouraged by the White Paper’s approach to improving the rail network.

3.9.2 Key areas of concern for the Council are the problems faced by growing urban areas (including Telford) outside the major conurbations which would benefit from improved frequency, timing and quality of rail services and infrastructure. The White Paper fails to take specific account of these growth areas and the potential economic and environmental benefits improved railways can provide.

October 2007
Memorandum from TravelWatch NorthWest (RWP 40)

NOTE—This paper is aligned to the headings in the White Paper. Paragraph numbers do not however follow paragraph numbers in the White Paper but the latter are referred to where appropriate (in italics).

1. CONTEXT

1.1 As a general comment on the White Paper as a whole TravelWatch NorthWest (TWNW) believes that the paper misses the opportunity to enthusiastically promote rail as an environmentally friendly, low carbon alternative to cars and internal airline services. The overriding impression is an emphasis on rail’s expense to the taxpayer rather than the radically enhanced contribution it could make to easing road congestion and giving a safer travelling environment for people. We are not convinced that the railways are fairly compared with road transport when the wider costs of road construction, policing, accidents, time lost in traffic delays and environmental impact are taken into account.

1.2 There is a tendency to look at the rail system in isolation from other transport modes and the White Paper makes no attempt to relate to the context of a public transport strategy.

2. SAFETY AND SECURITY

2.1 The safety of rail is one of its greatest assets and the fact that rail travel is roughly 7 times safer than travel by car underlines the comments in 1.1.

3. RELIABILITY

3.1 We agree that the service the railway provides should be more reliable—this will attract more passengers. It must be remembered that PPM figures conceal wide variations and the experience on urban peak services on specific lines can be well below the overall measure. Investment in the resilience of the network is crucial to improve reliability.

4. THE CAPACITY CHALLENGE

4.1 TWNW welcomes the commitment to capacity increases and to lower peak hour load factors. Demand forecasting (4.12–4.16) is not exact but account should be taken of the desire and measures to persuade car users towards public transport (see also below).

5. SERVICES FOR URBAN AREAS

5.1 We do not agree that it is too early to start to plan for the impact of road pricing schemes (5.16). The Association of Greater Manchester Authorities (AGMA) and the Greater Manchester Passenger Transport Authority (GMPTA) are planning road pricing now—the key point is that public transport improvements including rail must precede any congestion charging scheme. We cannot overemphasise the potential for very high levels of growth in the North West conurbations, especially Greater Manchester, taking into account current suppressed demand and the likelihood of future constraints on road usage brought about by congestion and road demand management measures.

5.2 It is acknowledged that peak period demand in cities like Manchester has grown rapidly in recent years. Yet there is suppressed demand on commuter lines into Manchester because of unreliability, overcrowding (passengers are left behind at some stations due to full trains) and also car parking constraints—see below. If this suppressed demand and the demand resulting from future growth were realised, the promised 300 extra carriages outside the South East by 2014, whilst welcome, may do no more than preserve the status quo.

5.3 The amount of additional rolling stock needed in the NW conurbations therefore needs to be assessed on the following basis—

— To relieve current overcrowding on peak services.
— To allow latent demand to be met.
— To allow for future growth and provide an acceptable option to the private car.

The issue of platform lengths also needs to be examined closely so that longer trains can be accommodated.

5.4 Capacity bottlenecks need urgent attention in the NW, especially the Manchester Hub. It is welcomed that some bottlenecks including Manchester are to be tackled by 2014.

5.5 There is no mention of the tram/train concept that we believe Greater Manchester is considering. We have no fixed views on this and would need to see specific proposals.
6. INTER-URBAN SERVICES

6.1 TWNW is in broad agreement that a new high speed line (HSL) is not an immediate priority; tackling existing capacity, especially in urban areas, is paramount as this would benefit more people. Train lengthening, multitracking, speed increases and other capacity enhancements on existing main lines can be undertaken to give interim improvements. For example increasing speeds to 140 mph on the WCML and ECML would give better use of stock and more capacity.

6.2 However, looking beyond the immediate needs HSL should figure in a strategy to 2030. Lead times are at least 20 years and planning should start now. The White Paper does not consider the case for high speed rail in the context of motorway development and airport runway expansion—both of which would have profound environmental consequences. Also Eddington accepted that a switch to HSL from domestic aviation would bring about considerable CO₂ savings.

6.3 Indeed, we believe that the long term case for HSL as a “green option” has been understated in the document (c6.15). Faster journeys will pull passengers from air, giving implications for airport capacity growth and related environmental concerns. But also at 50% load capacity (which we believe is more realistic than the 33% suggested) a 350kph train will be over 3 times more carbon efficient than a plane from the figures given. Such trains, with very attractive journey times, should easily attain that degree of loading and this gives credence to bringing forward the HSL planning process.

6.4 A new HSL will also give wider benefits for all types of rail users by freeing up capacity on existing routes for other passenger services and freight.

6.5 Planning and construction of any new HSL will inevitably be highly controversial and disruptive to local communities and the wider environment. Planning should be as sensitive as possible and minimize environmental damage and social impact. TWNW would urge that every effort be made to address these problems by siting the route, where possible, alongside existing major transport corridors.

6.6 Passengers would appreciate a 7 day railway and we welcome the commitment to this (6.18). Again it has to be said that the increased attractiveness that this offers will encourage higher demand for rail, especially at weekends thus strengthening the case for capacity increases and HSL in the longer term.

7. REGIONAL AND RURAL SERVICES

7.1 We welcome the commitments (7.14–7.20) to
   — No line closures up to 2014.
   — Community Rail Development.
   — A pool of 30 additional carriages for regional routes.

7.2 The replacement of Pacers in particular should be started well before the latter half of the next decade (7.21).

7.3 We have concerns that the developing or opening of new regional lines is not envisaged in the HLOS period (7.23). It is hoped that this will not dampen the consideration of schemes which would bring a range of benefits—strategic transport, economic and social. In the NW we have at least two examples (Penrith–Keswick and Colne–Skipton) which should be considered on their merits.

8. INTERNATIONAL

8.1 We welcome better interchange with the new Channel Tunnel Rail Link and aspire to through services between the NW and the Continent.

9. FREIGHT

9.1 The development of a strategic freight network is welcomed for the benefits it will give to passenger train performance.

10. DELIVERING FOR PASSENGERS

Fares

10.1 We agree that RPI + 1% on regulated fares was acceptable in 2003 to compensate for the RPI—1% of the previous 4 years. However to take RPI + 1% to 2014 (10.19) will mean an unacceptably high real increase by that time. We maintain that regulated fares should not rise by more than RPI up to 2014.

10.2 Regarding the Fares structure (10.25–10.31), the main priority, whatever the number of different types of ticket, is that it is made clear to the passenger at point of sale that the most appropriate and best value for money ticket is being sold.

1 Slide JT9 page 86, Summary of Key Research and Analysis, July 2007.
10.3 The Saver ticket (10.32–10.33) is a popular, easily identifiable walk up ticket and usually priced at substantially less than the open fare. The view of TWNW is that regulation should be maintained. In order to mitigate anomalies Saver Singles should be priced much lower than they are now (ideally 50% of the return fare) and Savers should be available for distances of less than 50 miles to enable overnight stays without having to purchase 2 single tickets.

10.4 With regard to Concessionary Bus Travel we note that it remains open to local authorities to provide free travel by rail rather than bus (10.34). However, this is not happening and in some rural areas rail patronage is declining as people opt for the free bus or lose their option to acquire a Senior Citizens Railcard.

10.5 The integration of Oyster and ITSO (10.41) is essential. Oyster is tried and tested and works very well and there is perhaps a case for standardising Oyster on a national basis.

Station Access and Integration

10.6 As mentioned previously there is scant reference in the document to public transport as a whole and to integration, but multi modal ticketing is referred to in connection with smartcards (10.45). There is a lot of scope for improved modal integration at stations and in multi modal journey planning information and ticketing systems but the White Paper does not cover these areas.

10.7 Improved access to stations is vital (10.58–10.63). We welcome the concept of station travel plans.

Car Parking

10.8 The lack of car parking capacity is now a significant problem and a serious constraint on rail travel growth at many stations in the North West (10.64). The fact that the NW Route Utilisation Strategy area has only 25% the car parking capacity as in the West Midlands, a similar size conurbation\(^2\) is a stark figure and adds to the arguments about latent and suppressed demand caused by lack of parking space.

10.9 Car parking should not be excessively priced. There should be a national strategy formulating car parking policy and charging to remove anomalies. For example driving longer distances to free car parks or charging excessively more for parking than the price of many local train journeys should be discouraged.

10.10 We would question the statement (10.64) that “car parks ought to be one of the easiest facets of station access to improve”. In many suburban areas land is in short supply and where charges are low or free non rail use is a problem. However, the problem has to be tackled.

Cycling and Rail

10.11 Whilst welcoming the formation of a Cycle-Rail task force, this section does not really contain anything new. There is a real need for adequate, accessible cycle space in new rolling stock, at least a doubling of capacity, perhaps linked with luggage space. See also below.

Improving Conditions at Stations

10.12 An additional £150 million to deliver improvements at 150 stations is a relatively small amount but we understand that a significant number will be in the North West.

Better Travelling Conditions on Trains

10.13 The lowering of the average age of rolling stock is welcomed. However, more attention should be given to conflicting pressures on space in new or modified trains. There must be—

— adequate luggage space
— adequate cycle space
— an adequate number of operational toilets.

10.14 All these fail with current stock to a greater or lesser extent as the driving force is to put more seats into smaller spaces. For example toilets are actually being taken out on some trains where the provision is just about adequate now. On many services in the NW there is anecdotal evidence of a high incidence of toilets not being available or in poor condition.

10.15 The replacement of Pacers and Sprinters should have special regard to these passenger facilities as well as comfortable seat pitches and convenient boarding access.

11. IMPROVING ENVIRONMENTAL PERFORMANCE

11.1 We are disappointed that there is no commitment to network-wide electrification, especially as the Rail Safety and Standards Board has recently reported on its advantages. Reference to a case-by-case approach driven by business and operational need (11.28) is however better than nothing. There are many examples of sections of line where “infill” electrification would provide many advantages. Completion of such projects would also help to make the case for wider network schemes.

11.2 The White Paper acknowledges that changes in power generation will improve the carbon performance of electric trains (11.27) and that there are uncertainties about alternative “green” fuels (11.19). Given that the advantages of electric train operation outweigh the disadvantages, the balanced approach should favour a progressive electrification strategy.

12. COSTS AND FUNDING

12.1 It is evident that the forecast financial improvement of the railway up to 2014 is heavily dependent on a substantial rise in passenger income. As previously stated we have concerns about fares increases becoming excessive and eroding the value for money of rail travel.

October 2007

Memorandum from Bombardier Transportation UK Ltd (RWP 41)

1. ABOUT BOMBARDIER

1.1 The Bombardier Transportation Group has its global headquarters in Berlin, Germany with a presence in over 60 countries. It has an installed base of approximately 97,000 vehicles worldwide. The group offers the broadest product portfolio and is recognised as the leader in the global rail sector.

In the UK’s rail transportation industry, Bombardier is the leader in the manufacture, refurbishment and maintenance of rolling stock. Bombardier Transportation employs over 4,000 people at production facilities in Derby and Plymouth and 24 maintenance, refurbishment and overhaul centres across the UK. The company maintains approximately 2,500 vehicles.

1.2 Bombardier welcomes the Government’s 30 year strategy for the rail industry and supports many of the stated initiatives contained with the proposed model.

1.3 On many of the wider industry issues Bombardier has contributed to the submission from the industry trade bodies and this submission restricts its comments to the rolling stock issues.

2. ROLLING STOCK IMPLICATIONS

2.1 A key component of the progress within the rail industry over the last 10 years has been the investment in, and quality of, the passenger rolling stock. Since 1996 some 5,000 rail cars have been ordered and delivered in the UK, dramatically reducing the average age of the UK Mainline Fleet.

2.2 This massive increase in rolling stock over a relatively short period of time has had, however, very severe implications to the rolling stock manufacturer. Bombardier, together with other manufacturers, has been asked to produce nearly 5,000 cars now dropped to zero for the years to 2010, and with the Governments recent announcement will move to 1,300 cars to 2014. This fluctuating workload is not a new problem for the industry and manufacturers have responded to workload change by closing factories, leaving Bombardier as the only manufacturer which maintains a UK presence.

2.4 No manufacturer can realistically maintain a world class capability in the UK with a continued “feast or famine” approach to rolling stock replacement. Consequently, the rolling stock manufacturers have requested the Department for Transport to undertake a strategic overview of the procurement of new rail vehicles to moderate or remove the peaks and troughs for new rolling stock.

2.5 The Department for Transport has been sympathetic to the needs of the rolling stock manufacturers and the commitment to order the 1,300 cars is an encouraging step in the right direction.

3. POTENTIAL BENEFITS OF A STRATEGIC OVERVIEW

3.1 Manufacturers are not asking for rolling stock orders which do not currently exist. It is estimated that with the current UK passenger fleet of approximately 11,000 cars, based on a 30 year lifespan, assuming no growth, a steady replacement rate of 375 cars per annum would be required. With a modest allowance for growth this figure could be 400 cars per annum.
3.2 The benefits of a strategic overview are very significant indeed and will ensure greater efficiency, greater reliability, lower costs and the end to the inhumane practice of the hiring/redundancy cycles that exist currently. It is also not unreasonable to assume that with cost savings, significant future export earnings will become possible, something the UK rail industry has not enjoyed for over 20 years.

3.3 A moderated order rate would create a manageable environment in which manufacturers and suppliers would be capable of investing and planning for the future.

3.4 Rail vehicle production requires a highly skilled manufacturing workforce, which, to minimise costs, will alter to reflect the necessary output. For example, to manufacture over 600 cars, at the peak, some 1,300 people are required. This will drop to just over 300 people when some 200 cars are required. Bombardier has done everything possible to mitigate these manpower changes, including redeployment and flexibility training. However, it is inevitable that these changes will result in the need to hire and then make redundant highly skilled engineers and technicians.

3.5 These manpower changes of course also apply to the supplier base. Apart from the human misery caused, it makes the industry unappealing to graduates, the disappearance of technical training apprenticeship schemes and increased product costs.

3.6 Rail vehicles are now highly technical products involving specialised design and manufacture. As with most sophisticated products, “learning curves” are an integral component of efficiency and reliability. If a defined number of vehicles are required but are produced over a longer timescale, significant efficiencies and cost reductions can be achieved. Suppliers and manufacturers can plan for efficiencies with a more stable output; invest in training, and indeed Research and Development.

3.7 Moderated production of rail vehicles at Bombardier would then have a significant benefit for the supplier base. As all the suppliers are smaller than Bombardier, the impact of peaks and troughs is further attenuated given their smaller size, therefore the benefits of moderated orders will be that much greater. The highly specialised components of modern trains means that these components cannot be used elsewhere, eg the train seat maker with no orders cannot switch to other seats when a “trough” in orders occurs and therefore cannot possibly be expected to invest in production and efficiency improvements at the time of order peaks.

Steady state production of key components will provide significant economic benefits.

3.8 Naturally, the potential benefits of moderated production will to a large extent be dependant on the degree of moderation. However, as a reasonable guideline, considering labour savings and production efficiency benefits both at manufacturer and supplier, the order of magnitude of saving should be in excess of 10% on the cost per car.

4. Conclusion

The Government’s 30 year strategy is welcomed and is fully supported by Bombardier. The growth the industry is experiencing should continue and indeed accelerate on environmental reasons alone. The implications for all in the industry is we must make rail travel safer, more convenient, improve value for money and grow capacity at the pace necessary to avoid chronic overcrowding. Rolling stock suppliers will be able to offer real efficiency benefits if we can achieve the removal of large peak and troughs in the ordering of new trains.

The Government is moving in the right direction in terms of strategic procurement and Bombardier would encourage the development of a procurement process which will allow for both competition but also longer term order continuity for the supplier more in line with the 30 year strategy.

October 2007

Memorandum from the Rail Freight Group (RFG) (RWP 42)

1. Rail Freight Group (RFG) is pleased to submit this evidence to the Transport Committee Inquiry into the DfT’s Rail White Paper Delivering a Sustainable Railway.

2. RFG has welcomed the DfT’s document which provides a strong policy support for, and funding towards, rail freight growth. The inclusion of funding for freight within the HLOS is also welcome.

3. There are many areas where significant work will now be required to develop the concepts in the strategy. Our evidence to this Committee describes some of these, and some potential concerns.
SUMMARY OF IMPACTS ON FREIGHT

4. RFG considers the document to be significant because it represents a strong policy from Government in support of rail freight. Along with the work from ORR (set out in their February document, *Advice to Ministers*), its also provides a clear statement of funding for CP4.

5. In headlines, the document;
   — States that the network should be able to deliver double today’s freight volumes over a 30 year period.
   — Promotes the development of a “Strategic Freight Network” which should provide the capacity and capability for freight growth, and improve network resilience through diversionary routes etc.
   — Provides £200 million for development of the strategic network during CP4 which is in addition to any funds provided under TIF.
   — Confirms network enhancements at Reading (which will benefit freight) and the completion of WCML upgrade.

STRATEGIC FREIGHT NETWORK

6. The strategy introduced the concept of a Strategic Freight Network although it gives little detail on what such a network comprises. The definition states that it would “complement and be integrated with, the existing rail network. It would provide an enhanced core trunk network capable of handling more and longer freight trains, with a selective ability to handle wagons with higher axle loads and greater loading gauge”.

7. Whilst this is significant, the development of such a network will require significant work and there are important areas of policy which needs to be addressed. These include;
   — The process and representation in the development of SFN.
   — The actual shape and size of the SFN, and the rules for ensuring that freight capacity on SFN is protected.
   — Access for freight on parts of the network not included in SFN, particularly in the light of the Technical Strategy which promotes differentiated maintenance standards which could effectively exclude freight from some routes.
   — Ensuring that the charging principles on, and off the SFN are compliant with the principles of marginal cost charges.

8. Whilst the investment funds are welcome, the charging principles surrounding the investment will require careful scrutiny in particular statements such as “established charging principles to recover the balance of the cost from freight operators” and ongoing reference to the “beneficiary pays” principle in relation to third parties such as ports.

9. Whilst the above principles may be logical *per se* they will only work if the same principles are applied across modes including to road freight. Until this is done, there is a risk of market distortion and a loss of rail freight.

10. The document is silent on freight grants and we would have expected some discussion on the ongoing position with such funding.

INTERNATIONAL AND EUROPE

11. On Channel Tunnel, the document notes that an increase in freight depends on “a commercial charging regime being established . . . between the operator and freight companies”. However, it is silent on Governments role in facilitating this. Given its regulatory role in the Intergovernmental Commission, DfT could use its powers to progress such an agreement.

12. There is welcome, and perhaps surprisingly strong, stated support for the liberalisation agenda and increased competition on rail networks across Europe. We hope that this means UK Government will step up efforts to encourage the European Commission to move very much faster on the liberalisation agenda.
LONG TERM

13. The long term elements of the White Paper are perhaps the most disappointing. There is little detail on what measures are expected to be necessary beyond this HLOS to facilitate the doubling of freight and passenger volumes.

14. The document steers away from long term forecasting. We would have expected to see more of this included and the implications analysed more explicitly. Other areas of Government are content to use long term forecasts (for example the Energy White Paper) and there is no reason why long term rail forecasts could not be included with the usual caveats about long term uncertainty.

15. New freight only lines have been explicitly ruled out, but there is no comprehensive debate on how long term rail capacity would be provided. This will begin to stifle long term planning in due course.

TECHNICAL STRATEGY

16. The technical strategy discusses a long term vision for the future technical systems. The key element in this is the proposal for a differentiated network, where infrastructure quality and maintenance standards are targeted specifically to the traffic.

17. This could lead to the position where freight traffic is effectively “barred” from some routes if they are maintained to light passenger standards. The appropriateness of this will depend on the extent of differentiation, the specific rules, and the rules governing access.

18. The document states that such a scheme must “take account of the need to maintain open access to all routes where there is a reasonable expectation of future commercial need”: nonetheless this will need to be carefully assessed, alongside proposals for the SFN.

October 2007

Memorandum from English Welsh & Scottish Railway (RWP 43)

INTRODUCTION

1. The House of Commons Transport Committee has announced an inquiry into the Government’s new White Paper on Rail (Cm 7176), which was published on Tuesday 24 July 2007. This is the response of English Welsh & Scottish Railway (EWS) to the Select Committee’s call for evidence.

2. EWS is the largest haulier of rail freight in Great Britain. It moves over 100 million tonnes of freight a year within Great Britain, through the Channel Tunnel and in France. EWS is both cash positive and profitable. EWS has worked closely with the Department for Transport in the development of the White Paper and supports its overall intentions even we have detailed differences with some of its proposals. In our response we first comment on freight issues (especially those covered in Chapter 9) and then comment on other parts of the White Paper in the order of the chapters within the White Paper.

RAIL FREIGHT

3. The White Paper summarises the recent history of rail freight—one of the successes of transport policy over the last 12 years. We welcome the restatement of the Government’s position (paragraph 9.5) that it will ensure “that policies and regulations do not put unnecessary obstacles in the way of future freight growth” and that, in specifying passenger services, the needs of the rail freight industry are considered.

4. It is, therefore, surprising that the Government’s plans for Crossrail are completely counter to this policy.

— Crossrail is being planned on the basis of the level of freight activity in 2006 on the key Great Western and Great Eastern routes. The planning for Crossrail does not take into account the anticipated growth in rail freight of 30% in tonnes and 50% in tonne miles by 2014.

— The promoters of Crossrail are seeking a 50-year access option for the rail network with rights to remove any conflicting access right owned by other operators on the routes.

— The Crossrail Bill will retain powers to prevent any operator from challenging Crossrail or disputing access rights that Crossrail seeks that get in the way of freight trains.

— The Crossrail Bill will override the independence of the Office of Rail Regulation—a key requirement to encourage investors in the rail system and contrary to the Open access directives of the European Union.

The Committee may wish to consider whether the positive statements made about freight are undermined or even completely negated by the Crossrail proposals.
5. The Government’s statements about rail’s market share are unnecessarily negative. Rail does not seek to compete with deliveries to the High Street, the pub and the petrol station. For freight moves of over 100 miles rail’s market share is over 20% although definitive statistics are difficult to establish. That said, rail can be very effective over short distances for regular traffic from rail connected source to rail connected destination.

6. EWS is pleased that the Government recognises the limitations placed on rail freight growth by network constraints. EWS’s “Big Freight Railway” campaign has argued for the following infrastructure standards to improve efficiency and encourage more freight by rail

- Infrastructure that can accommodate a train length of 775 metres rising to 1,000 metres.
- Gauge enhancement to a gauge known as W12, which permits European swap bodies as well as deep-sea containers.
- Axle weights of 25.5 tonnes.

On strategic freight routes with high volumes of traffic, which are connected to major centres of production and consumption, the permitted standard should be an axle weight of 36 tonnes, which will increase wagon payload by over 50%.

7. The loading gauge should be enhanced to mainland European standard on a route linking London to the West Midlands and beyond. This would permit the through operation of freight trains from throughout Europe. The Channel Tunnel Rail Link will permit this capability as far as east London but EWS believes that this opportunity should be available to shippers beyond London. This proposal is recognised by the Government in paragraph 9.33.

8. The Government’s proposal of a Strategic Freight Network (SFN) is to be welcomed providing that it does not lead to freight being excluded from other parts of the network. To do so would artificially constrain rail freight development when road competition faces no such restrictions or exclusions. The Committee may wish to explore this issue further.

9. The provision of £200 million funding for the SFN is good news as is the intention to take account of benefits accruing to passengers although the sum should be put in the context the £10 billion being provided for the general enhancement of capacity (as described in the Executive Summary). Less encouraging is the statement that the balance would be recovered from freight operators. This suggests that the funding is only a loan and does not sit easily with the position of road haulage where there is no expectation of an additional charge when the road network is enhanced for freight.

10. The importance attached by the Government to network flexibility is strongly supported by EWS. Although the seven-day railway is primarily for the benefit of the passenger railway the tools to achieve it such as the introduction of bi-directional signalling and the increased use of single-line working will reduce disruption to freight services. Such flexibility should not just be to enable night time engineering work or to reduce the effect of disruption—it should also be used in the day to day operation of the railway to exploit the latent capacity in the network.

11. The Government’s recognises that

“The present pattern of engineering access can be extremely disruptive, often affecting multiple routes on a number of nights in the week and extensively at weekends. This impacts particularly on freight movements”. 

We have been seeking to engage with Network Rail on this issue and the fact the Government sees this as a problem will be extremely helpful in making progress towards providing predictable paths and fit for purpose diversionary routes.

FOREWORD AND EXECUTIVE SUMMARY

12. The emphasis of the White Paper on stability and growth is very encouraging. We support the underlying theme of capacity enhancement combined with an environmentally sustainable railway. We welcome The Government’s expectation that freight will double in the long-term although we were surprised that the Secretary of State should say that

“It is passengers, and their priorities, which are at the heart of this White Paper”.

We hope that the continued growth of rail freight, its environmental performance and its contribution to the economy will convince the Government that rail freight users, and their priorities, should also be at the heart of Government thinking.
CHAPTER 3 RELIABILITY

13. The reliability of freight services is as important for the freight customer as passenger services are for the passenger. The needs of freight customers vary as much as passengers and whilst the Government differentiates between commuters, long-distance and regional services it appears to put all freight services into one pot. Freight traffic moving from stockpile to stockpile may not be time sensitive but traffic for the supermarkets, parcels and international goods all have time sensitivity.

We need to ensure that this differentiation is understood throughout the rail industry and that priority is given to time sensitive freight services especially at times of disruption.

CHAPTER 6 INTER-URBAN SERVICES

14. The White Paper emphasises the importance of cab-based signalling in the future railway although the availability of a reliable system has yet to be established. The future level of costs for ETCS / ERTMS is significant and who bears the costs is an open question.

15. Whilst a new Freight Only line may not have the support of Government the justification appears to be based on current traffic patterns and levels rather than the situation on the network when traffic has grown by 50% by 2014 and doubled in the longer term. If there is a criticism to be made of the White Paper it is that, whilst it purports to consider the long-term, its solutions seem to be based solely in the present. Given the long lead time on infrastructure projects if freight and passenger traffic is to double then the capacity to accommodate that growth needs to be identified now and not left to the next planning cycle.

CHAPTER 7 REGIONAL AND RURAL SERVICES

16. The Government is looking for a low cost solution to Community railway lines. The work that EWS has undertaken on the cost of Freight Only lines has identified an approach to the maintenance and renewal of the network that would reduce existing unit costs. We suggest that our proposals are considered for use on Community, Rural and Regional routes.

17. We note that the Government is looking at solutions on routes where there is little prospect of freight services operating (7.18). Given the prospective doubling of rail freight we would want there to be absolute certainty that there was no prospect of freight traffic before adopting a minimal cost solution.

18. We do not agree with the Government’s decision not to protect disused rail alignments (7.23) especially as the Government has identified one disused route as the solution to north-south capacity. Old railway routes represent a miniscule percentage of developable land in Britain and we do not accept that protecting disused formations would be disproportionate and would blight homes and properties.

CHAPTER 8 INTERNATIONAL

19. The Government recognises the potential for international rail freight in its Chapter on European issues. The White Paper highlights the need for a commercial charging regime through for the Channel Tunnel. We agree with the Government—it will be for the market to decide whether any amendment to the tolls contained within the Railway Usage Contract between Eurotunnel, the British Railways Board and SNCF are sufficient to allow international rail freight through the Channel to realise its potential.

20. Slightly nearer to home the Government will need to address the prices for using the Channel Tunnel Rail Link/High Speed Line. This route, built to accommodate freight in line with obligations imposed by parliament, will enable mainland European gauge wagons to access London for the first time. This will open up new markets for rail freight and allow a step change in rail freight activity. Unfortunately the charges proposed for using the CTRL are more than double those obtaining on Network rail’s network (already amongst the highest in Western Europe).

21. At this level of charges freight will be priced off the CTRL. This issue needs to be resolved urgently as EWS is about to commit funding jointly with the European Union to modify freight locomotives to use the Link.

22. The Government’s desire to remove institutional barriers within Europe is supported as is its intention to press for greater liberalisation and cross acceptance of rolling stock. Our experience as an Open Access operator in France leads us to share the Government’s concerns. However, interoperability comes at a price and the proposal to transfer signalling costs from infrastructure provider to operator through the introduction of cab-based signalling is likely to cost EWS around £100 million in retrospective fitment. This funding issue needs to be addressed by both the Government and the European Commission.

23. We note (8.19) that the Government has reinforced the concept of “beneficiary pays” without stating the identity of the beneficiary. We suspect the Government regards the beneficiary as the facility owner or the transport operator. There does not appear to be a mechanism for capturing the benefits to the economy or the nation as a whole, which, presumably, would justify Government expenditure on international links.
CHAPTER 11 IMPROVING ENVIRONMENTAL PERFORMANCE

24. The Government rightly identifies rail’s major contribution to cutting carbon emissions “is to increase its carrying capacity and so accommodate green choices on travel and freight movements”. Recent studies undertaken by EWS and Heriot Watt University have confirmed that rail freight produces five times less carbon dioxide per tonne mile than road haulage. Rail also produces less polluting emissions.

25. We are concerned; however, that Government policy towards other modes will negate this environmental advantage by causing freight to move from rail to road. The introduction of longer, heavier lorries of up to 84 tonne Gross Laden Weight will stop rail freight growth and undermine existing business. Academic research undertaken by EWS and its advisers showed that all intermodal traffic would be lost to rail and bulk traffic, such as aggregates, would be halved. More details of this research are contained in our submission to the Committee’s inquiry into freight.

CHAPTER 12 COSTS AND FUNDING

26. The White Paper emphasises the importance of efficiency in reducing the cost of the railway. For freight operators this is reflected in the level of track access charges currently under review by the Office of rail Regulation as part of the Periodic Review 2008. We have worked closely with the ORR and Network Rail to identify international best practice in infrastructure management and expenditure. We very much hope that the ORR will take this work into account when setting freight charges from 2009. Unfortunately the ORR has indicated that freight charges could increase by up to 25% depending on where in the range of Network Rail’s freight expenditure the decision finally falls.

27. The level of freight charges will be further increased by placing on freight operators the fixed cost of freight-only lines. This approach does not compare well with competitive modes and can only serve to reduce the volume of freight by rail in the affected markets.

28. We had hoped that the ORR would also simplify freight access charges but we still expect freight to have to pay

- Variable Usage Charges.
- Fixed Charges (for Freight-Only lines).
- An Electrification Asset Usage Charge.
- Electricity Traction Charge.
- A Capacity Charge.
- Reservation Charges.

Road hauliers, faced only with Vehicle Excise Duty and Fuel Tax (the latter also paid by rail operators) must be entitled to a quiet smile at the competitive disadvantage that this creates for rail.

APPENDIX A RAILWAYS ACT 2005 STATEMENT

29. EWS recognises that freight does not form part of the High Level Output Specification although it should be a key element of the long-term strategy.

30. We are pleased, however, that Paragraph A24 describes the funding of the Strategic Freight Network although there is some uncertainty as to whether this funding would be reclaimed from freight operators. We welcome the confirmation that the Secretary of State is prepared to fund certain freight costs as confirmed to the ORR in January.

October 2007

Memorandum from the Stourbridge Line User Group (RWP 44)

INTRODUCTION.

The Stourbridge Line User Group welcomes the opportunity to comment on Delivering a Sustainable Railway. Our line is an interesting mix of inter-city, cross city, suburban and rural traffic. As such it does not fall neatly into one single category. Therefore, we have chosen to comment on all aspects of the document which are relevant to the service provided and desired. The Group has examined the detail of this paper and will explain how specific proposals disadvantage the Stourbridge Line and its branches. Our comments are made on relevant topics in the same paragraph order as the document:
OUR COMMENTS

Context

— 1.10 The Eddington Transport Study found that Britain’s geography and existing transport networks already provided good connectivity.”

The Group strongly disagrees with this statement (refer to comments in our conclusion concerning Birmingham New Street). Connectivity in Birmingham—and therefore the West Midlands is not good enough to back the blanket statement. If the Eddington Transport Study is the basis for the White Paper then all other aspects derived from it must be treated with caution.

— 1.18 “The aim must be to ensure that people are not prevented from securing jobs or a better quality of life because they lack access to transport.”

The Group strongly agrees. The provision of service along the Stourbridge Line does not meet the criteria at all stations. Hartlebury is the best example of an undeveloped station. It should be the natural rail head for Stourport on Severn.

— 1.26 “(The Rail Industry) must constantly improve the quality of its service to meet the increased demands of current passengers and attract new users.”

The Group strongly agrees that we need to attract new users. The new users must be existing car owners and the next generation. The disincentive will always be lack of integrated public transport. We have identified the need to upgrade Kidderminster station to an interchange. It must be equipped to deal with passengers arriving by bus for the benefit of neighbouring towns which are not rail-served.

Reliability

— 3.1 “A reliable railway is the single most important requirement of passengers. Our other key priority must be the reliable operation of a frequent service.”

The Group draws attention to the need for re-signalling between Kidderminster and Worcester. The prime cause of delay along the line originates from problems in this area.

— 3.7 “Unreliable freight services also have an impact on passenger services and vice versa.”

The use of Stourbridge Junction (and reversal operation) by freight trains delivering steel to Round Oak (Brierley Hill) is inefficient. The Group advocates the re-opening of the line from Stourbridge all the way to Bescot to eliminate the manoeuvre. SLUG is campaigning for the existing route to Round Oak to be re-opened to passenger trains so as to access the Waterfront and Merry Hill Centre area of redevelopment. It is not inconceivable that a chord exists (or could be constructed) from this line to rejoin the West coast Main Line, thereby creating another diversionary route from Birmingham to Stourbridge.

— 3.14 “... disparities between the best and poorest-performing lines and between the infrastructure and operators’ performance indicate scope for improvement”.

The Group is of the opinion that the construction of a fourth platform at Stourbridge Junction and fourth at Birmingham Snow Hill is essential for coping with the intensive timetable.

— 3.18 (Re Strategic Freight Network). “Separating different service types will enhance overall capacity.”

This is not necessarily true and would obstruct the re-opening of disused lines for mixed traffic where passenger or freight alone could not be justified.

— 3.21 “Passenger expectations... place even more importance on end-to-end journey, interchange at stations...”

Kidderminster station with one of the highest footfall figures of the line has not been developed as an interchange. We see this as a priority amongst our campaigns. However, the new long-distance services serving Smethwick Galton Bridge from December are a prime example of how better connectivity can be achieved (and SLUG can claim credit).

The capacity challenge

— 4.2 “Growth... has been exceptionally strong on commuting services into cities such as Birmingham, Leeds and Manchester.”

Birmingham New Street is the hub of the rail network. The emphasis throughout the paper is not strong enough. In a document drawn up to address capacity issues, Birmingham for its radiating routes, deserves a chapter of its own (as per London).

— 4.8 “It is therefore necessary to have a plan for each route that provides the best solution available to address capacity changes in the short to medium term...”

Local solutions are best. The Group has identified some in its response but they are not necessarily on the agenda of the P.T.A. This may be because our suggestions are not seen at local level with the consideration of national and environmental benefit.
— 4.9 “Maximise the efficient use of existing rail assets by increasing service frequency.”

More stops at village stations such as Hartlebury would deliver frequency where it is now most needed on this line. This would not involve deploying any extra trains.

“Elimination of pinch points on lines”

We agree entirely with the need for a package of measures for the elimination of pinch points on lines and provision of diversionary routes. (See our conclusion).

“Thinning out stopping train services”

We disagree with the suggestion that thinning out stopping train services would benefit anyone. It would in fact depress growth through loss of travel opportunity.

Services for urban areas

— 5.12 “Sundays have become Key shopping days . . .”

Frequency of Sunday service to Birmingham on our line does not reflect demand.

— 5.32 “Birmingham New Street suffers from considerable passenger congestion”

So do Birmingham Snow Hill and Birmingham Moor Street. Problems at Snow Hill could be resolved by freeing the Metro platform for heavy rail use. This could be achieved by moving forward the Metro extension scheme in Birmingham

— 5.38 “The Government believes that contractual responsibility for specifying rail services should not be separated from the responsibility for paying for them.”

In the event of the Stourbridge Town branch becoming a Community Rail Partnership arrangement, we would not expect the P.T.A. to discharge its duties.

— 5.41 Future trends.

(See comments for 5.12)

— 5.44 New Products

The Group feels there is considerable scope for three or four day tickets and specific tourism based travel cards. The cross city extension of the Stourbridge Line has not been marketed enough in the light of through journeys to Stratford upon Avon.

Inter-urban Services

— 6.8 “Remedial action to tackle inter-urban road congestion will inevitably impact on the demand for rail travel.”

Construction of a new by-pass for Brierley Hill must prove the need for a restored passenger rail service between Stourbridge and Brierley Hill.

— 6.14 “Higher speed is not the only or best way of cutting journey times.”

The answer is in cutting wastage eg time held up at signals, dispersal of passengers from the train and indirect connecting arrangements when a suitable passenger line is lying dormant eg Stourbridge to Dudley Port via Smethwick instead of via Brierley Hill.

— 6.23 “... it may be possible to increase the number of train paths on the West Coast Main Line from 14 to 20 trains per hour.”

Subject to capacity being made available into Birmingham New Street, the Group would like to see these paths FAIRLY allocated to give all suburban lines a through service to Birmingham Airport.

Regional and Rural Services.

— 7.00 (Summary) “Nor does it (the Government) envisage reopening lines in the longer term.”

The Group must point out the short sightedness of not reopening the Stourbridge to Brierley Hill line which would serve the largest developing commercial area in the West Midlands.

— 7.6 “These factors (population shift and increasing traffic congestion) also have increased capacity pressure at station car parks.”

Is it right to dampen demand for station car parks with excessive costs thereby driving customers further up the road to free-of-charge station car parks—eg from Kidderminster to Stourbridge Junction?

— 7.12 “...the strategy seeks not to just retain regional services but to develop them.”

The boundaries of franchises are not necessarily in the best places to achieve useful through services eg Stourbridge to Cheltenham/Bristol DIRECT instead of northward first via Birmingham.

— 7.16 “The Government will continue with its successful Community Rail Development Strategy.”
The Stourbridge Town branch has been put forward as such a Community Rail Partnership. The suggestion is that this would be a logical progression from the provision of a new transport mode ie the Parry People Mover. Even though various ideas involving integration with the bus station have been discussed at local level, there is not yet a consensus within the Group for such a commitment.

Members may have reservations about the permanent declassification of a heavy rail line to a light one and a consultation exercise with members and PTA may be necessary.

— 7.23 “Some 40 new stations have been opened in the last 10 years . . . the Government does not envisage demand to justify developing or opening new regional lines . . .”

“NEW” is the operative word in this statement but there is much scope for reopening passenger lines such as Stourbridge to Brierley Hill as opposed to building new lines. Consideration should be given for commuter services on private railways such as Kidderminster to Bewdley. The Group would look favourably at a parkway station north or south of Kidderminster and we cite the success of Warwick Parkway.

SUMMARY

The Stourbridge Line User Group welcomes the strategy of Delivering a Sustainable Railway. We support most of the measures needed in the timescale to accommodate growth and ease congestion. Our main concern is that the paper does not make the argument for more frequent trains versus longer trains. Taking into account the useful diversionary nature of our route for inter-city traffic then infrastructure improvements are far more advantageous than longer trains. We note that re-signalling work requested for the section between Kidderminster and Worcester does not fall within the timescale of this plan. Regrettably, this restricts the use of the line for more express traffic which would relieve congestion elsewhere on the network—arguably for less expenditure.

The Group feels that there needs to be more emphasis on additional tracks where land ownership will permit. Not necessarily quadrupling but third track, bi-directional avoiding lines to by-pass bottlenecks. Congestion at specific pinch points has deprived this line of its Birmingham New Street terminus and, with it, convenient inter-city connections.

Fundamentally, SLUG wants the Stourbridge line to be connected to the rest of the network. Links to the south west are particularly bad—how can rail compete with the M5 motorway when the nearest station for long-distance trains in this direction is Cheltenham, which doesn’t have much parking anyway?

If Worcester bound trains do not consistently terminate at Shrub Hill to provide the connections we need then Birmingham New Street is needed at the other end. There is no evidence that development of New Street station will restore our old Birmingham terminus because much of the work is cosmetic. The easy way to link our line to New Street is to ensure that the rebuild include a walking/travelator link to Moor Street which the passenger sees as all being within one station.

All in all, this is a strategy which attempts to rectify the mistakes of previous administrations but falls short of offering a sustainable railway for the West Midlands taking into consideration the disproportionate number of schemes already in progress for London.

October 2007

Memorandum from T. T. M. Hale (RWP 45)

A submission to the House of Commons Transport committee from T. T. M. Hale. (I am deputy chair of the Sheffield Chamber of Commerce Transport Forum but this is a personal submission, consisting of the rail-related transport issues from notes on all transport modes, that I have maintained over a number of years).

RAIL

1. Motorail—Why has British Rail virtually eliminated the motorail service? How do we expect to get vehicles off our roads if British Rail cannot provide motorail freight terminals at more stations? Specific example—to take a car from Sheffield to Glasgow on motorail one first has to drive it down to Luton! We need better and more cohesive links with all transport systems, not less. Can we at least have a motorail service at Doncaster on the east coast mainline please? That way we could get to Scotland (and the South) much easier than at the moment.

2. Parking security—To maintain sustainable transport—we need to ensure more reliable and frequent services and enhance networks. Bear in mind that reliability and frequency of rail services is not the only consideration. Quality and security, whilst already being addressed in certain areas, are still pretty poor compared to the alternatives of travelling in the safety of one’s own vehicle. Parking security has improved with the new car park at the Sheffield Station, but actually driving to it is a horrendous exercise at busy times (ie most of the time).
3. **More car parking at stations**—At Sheffield station itself, this newly refurbished gateway to England’s 4th city suffers from very inadequate dropping-off and pickup facilities. Taxis have almost obliterated any spaces for private cars to drop off & collect, and this is unacceptable and needs addressing.

At Dore station (south west of Sheffield) this busy commuter station, both to Sheffield and to Manchester, has no car park and badly needs one.

4. **Rail flexibility**—2005 season’s fiasco over Sheffield Wednesday’s playoff in Cardiff (not the result, obviously!—the transport arrangements to & from it) have highlighted a major issue which needs to be addressed. Namely, the relationship with out-of-region providers. In this particular case, the inability of Virgin to provide more than ONE extra train, (for only 500 people) meant that (according to the press) 39,000 fans had to find an alternative means of getting to Cardiff. Most will have had no choice but to go by car or coach. This is a sad indictment on our public transport in the UK, and though it doesn’t happen very often in Sheffield, explains just why the car is still the essential mode of transport in the 21st Century. Until the flexibility in the Rail network improves—and hence my comment about better liaison with out-of-region providers—we will be stuck up here in Yorkshire with no realistic alternatives to the car.

5. **Light Rail track extensions**—several ideas have been put forward over the past couple of years, and some of them have merit. In particular, when considering where to locate new lines, top priority should be given to being completely off-road, as in this way the least disruption to shops & businesses will be obtained. In ideal situations, think about the way in which the American Wild West was tamed—the railway companies drove their lines right across the continent, going through the bleakest places. Where the trains had to stop to pick up water—there grew the towns. Apply that to the UK, and we could rejuvenate the poorest regions and minimise traffic pollution all at the same time. The same ideas could be applied to the ordinary rail network too.

6. **Light Rail and bicycles**—The provision for bicycles on trams is also important and security at the stops for bikes is vital.

October 2007

Memorandum from the British Transport Police (RWP 46)

1. **INTRODUCTION**

1.1 British Transport Police (BTP) is the national police force for the railways providing a policing service to rail operators, their staff and passengers throughout England, Wales and Scotland.

1.2 BTP has developed valuable expertise and the skills required to police a modern railway network. Fully integrated with local policing, BTP works closely with industry and community partners to provide a specialist, dedicated service protecting passengers, staff, and the network infrastructure from disruption and fear of crime.

1.3 BTP’s policing of Britain’s railways is considered to be among the most sophisticated and successful of any railway policing in the world. BTP has achieved all of its operational Policing Plan targets for the last three years during a period when it has had to deal with incidents such as the 7 July bombings in London and a sustained increase in the threat from terrorism.

1.4 Working in partnership with the railway industry, BTP has already achieved considerable success in making the railway network a safer place to travel during the 2007–08 performance year. Robberies on the network have been reduced by 45% and recorded violent crime is down 9%. Anti-social behaviour has been reduced by 14%, route crime by 14% and hate crime has fallen by 10%. These reductions have been matched with an increase in BTP’s overall detection rate and high detection rates for priority crime (38% for robbery, 45% for assaults on staff and 58% for anti-social behaviour).

2. **GROWTH OF RAILWAY INDUSTRY**

2.1 BTP welcomes the Government’s White Paper and the prediction of growth in both passenger numbers and capacity. However, in terms of policing, this growth could present several significant risks unless it is accompanied by appropriate crime reduction and prevention measures.

2.2 More people using the railway will increase the potential for crime and disorder. Later trains will especially increase the potential for anti-social behaviour and if trains get more crowded then the potential for both staff and passengers to be subject to anti-social and criminal behaviour will increase. As more people use station car parks then the more likely it is that criminals will target them to commit motor vehicle and cycle crime. On a more crowded network, incidents which cause delays, such as fatalities, will have greater consequences in terms of lost revenue to the industry and disruption to people’s journeys. They could also lead to more disorder, especially directed against rail staff.
2.3 An increase in the number of people travelling to events, especially in London, by public transport will increase the already significant pressure on BTP’s resources. An increase in football supporters using the network (an area which has grown exponentially for a number of years and for which BTP receives no extra revenue) will add to the demand. The number of football matches being played has increased dramatically since the 1990s and a growth in passenger numbers and network capacity is likely to increase the number of travelling football supporters even further. What used to be a Saturday afternoon commitment for BTP is now a seven day a week commitment that often lasts all day during weekends. Fixtures are often planned or changed at short notice and this increases the burden on BTP, who have to police groups of high risk fans using the network for confrontation having been driven from grounds by significant investment in CCTV and in-stadium policing. This results in officers being deployed more to police these types of events and less to provide visibility and combat crime and disorder at other times and locations.

2.4 Since the 1990s, the railway network has been targeted by terrorists. It provides an attractive target as a means of public transport used by millions of people each day with no check on their identity, no screening of their belongings and very few physical barriers to restrict their movements into or about the network. BTP is well equipped in prevention measures and enforcement, and has developed unmatched professionalism and expertise in combating terrorism on the railways. However the 7 July bombings shows that the network can be vulnerable to determined terrorists. An increase in people using the network and an increase in the number of trains and station could make the network an even more attractive target for those wishing to commit such atrocities in the future.

2.5 BTP’s estate will need to be fit for purpose in terms of location and role, including the provision of sufficient custody cells to accommodate an likely increase in productivity in relation to the number of arrests. Whenever new building projects are started, it is vital that consideration is given to providing appropriate facilities for BTP to provide the most effective policing service possible.

2.6 It is important that all those involved in running the railway network acknowledge the risks inherent in future growth and seek to mitigate them wherever possible. It is especially important that BTP is engaged with at the earliest opportunity so that opportunities for designing out crime can be identified and specialist advice and guidance can be offered.

3. DESIGNING IN CRIME PREVENTION

3.1 Crime Prevention through Environmental Design (CPTED) is a tried and tested concept and has proven its worth for many years with reductions in crime of up to 50% when implemented. The principles of CPTED are inherent in the two major schemes used within the railway industry—the Safer Parking Award and the Secure Station Scheme.

3.2 It is important that train operators, wherever possible, strive to achieve Secure Station and Safer Parking Award status for their stations. Milton Keynes and Bournemouth stations achieved this status two years ago and crime levels have subsequently dropped by over 50% at Milton Keynes station and by nearly 25% in Bournemouth.

3.3 There is an opportunity to apply these principles to the design of new stations and also depots and yards which can suffer from theft and vandalism to further combat crime on the railway network. It would also be beneficial if all new franchise agreements included commitments to obtain Secure Station and Safer Parking accreditation at an appropriate level in stations and car parks recognised to be crime hotspots.

4. CLOSED-CIRCUIT TELEVISION (CCTV)

4.1 The current rail industry CCTV network is fragmented with both legacy systems and newly implemented systems varying considerably and using different operating systems. This can present major problems in terms of quality of evidence available and the resources needed to obtain images.

4.2 In support of the National CCTV Alignment Programme led by the Home Office the and Association of Chief Police Officers (ACPO), BTP is creating a CCTV strategy for the railways. The strategy aims to implement a nationally agreed set of standards for the recording, storage and retrieval of CCTV images on the railway network and significantly reduce the train operator and BTP resources required to retrieve and process CCTV images. The strategy will improve CCTV functionality and greatly reduce the risk of failing to capture and retrieve images during events such as terrorist incidents, serious crimes and other critical incidents.

4.3 It is very important that all operators engage with BTP over this strategy and commit to achieving its aims. The strategy is not about implementing a gold standard for CCTV, rather its goal is to implement an adequate, cost-effective and affordable solution to addressing the current programme and providing a future-proof platform that can be developed.
5. **2012 Paralympic and Olympic Games**

5.1 The successful delivery of the London 2012 Olympic and Paralympic Games will provide BTP with some unique challenges from a number of key perspectives. Billed as the “Public Transport Games” it is estimated that 80% of the nine million ticketed spectators to the Games will use the railways to travel to and from the events. The 2012 Summer of Celebration will also incorporate the Queen’s Diamond Jubilee, the Notting Hill Carnival, Ramadan, Olympic cultural events across the UK and the domestic football programme.

5.2 BTP has estimated, as part of a national exercise led by the Home Office to identify the likely total security and policing costs for the Games, that BTP total costs for planning, preparation and delivery of the 2012 Games will be around £27.6 million (2008–2013). BTP currently has a bid with Treasury for £10.78 million for planning, preparation and investment for the years 2008–2011. This bid has been facilitated by the Home Office and sponsored by the Department for Transport. A response to it is anticipated before the end of 2007.

5.3 If the bid to Treasury is unsuccessful this will leave a large funding gap that will need to be made up. Suggestions that train operators and others who currently fund the BTP revenue spending should pay and fill this gap have already been made. This would also undermine the British Transport Police Authority’s desire, supported by the rail industry, to keep BTP’s revenue budget settlement over the next three financial years to inflation-only rises.

5.4 There will be a legacy requirement after the Games for BTP to have suitable police accommodation to effectively police a new major transport hub in Stratford with both national and international links. There will also be a new community at the heart of the Olympic village. In addition the regeneration and wider economic development of the East End around Stratford and the Olympic Stadium will attract visitors and spectators to the area in significant numbers.

5.5 It is important in planning both for the Games and the future growth of the infrastructure the funding for BTP’s essential role is secured as quickly as possible. It is also important that BTP has suitable accommodation in Stratford to police the Games and the subsequent transport hub.

6. **Partnership Working**

6.1 In order to further the partnership approach to combating crime and disorder on the railway, BTP, the BTPA and industry representatives formed the “Working Together” Group in 2006 to discuss how the industry and BTP could best work together in the future. The recommendations of this Group have been agreed by all parties and BTP is committed to their future success.

6.2 A key element of the partnership approach is joint tasking and coordination meetings held on each BTP Area. In these meetings, industry representatives meet with BTP’s senior management team within their Area. This provides an opportunity for industry representatives to discuss any concerns they may have, update BTP on any relevant developments, and to report on progress on previously agreed actions.

6.3 This meeting also provides BTP with an opportunity to brief the industry representatives as to how they can help BTP through actions such as targeted revenue protection activity, keeping a lookout for suspected or known criminals or gathering intelligence in order to bring about an Anti Social Behaviour Order.

6.4 BTP is able to use the intelligence gathered at these meetings to inform the fortnightly Tasking and Tactical Coordination Group meetings, which decide how BTP’s resources will be deployed. It is important in the future that BTP and the industry continue to develop such arrangements to jointly tackle crime and disorder on the network.

7. **BTP Funding**

7.1 BTP is funded by the “User Pays” formula, under which the railway industry pay for BTP’s revenue budget as the “users” of the policing service. This can cause considerable tension between BTP who is providing a UK wide policing service, and the train operators, who are operating in a demanding commercial environment. Recent disputes over payments to BTP have highlighted the inadequacy of the current situation.

7.2 The Transport Select Committee commented in their report “Future of the British Transport Police” (HC1070-I) that:

> “The Government’s review must not only address but establish a sensible and efficient system of funding for the BTP. The Government has allowed to run on for far too long a time consuming process in which the Chief Constable of the British Transport Police is forced to spend large parts of his working year negotiating with the train operating companies, some of whom have proved
less than willing to make their payments to this essential service on time. The Government should seize the opportunity of the present review to put sensible arrangements in place without any more prevarication." 1

7.3 Clearly BTP play an essential role in protecting the railway and it is important that the funding mechanism for BTP is fit for purpose and can provide certainty over future funding. The present system, however, is one that is based on historical precedent and not future need. It is not right that the safety of people who use the railway is determined by the profits of private industry. Any opportunity to improve the way BTP is funded in the future should be capitalised on as soon as possible.

8. Conclusion

8.1 BTP is keen to work with its industry partners to ensure passengers and rail staff are as safe and free from disruption as they possibly can be. Considerable successes have been achieved over the last three years in terms of both reducing and detecting crime. With the right level of engagement, partnership working and investment, this level of success can be sustained during the period of growth outlined in the White Paper.

October 2007

Memorandum from the Railway Engineers’ Forum (RWP 47)

The Railway Engineers’ Forum (REF) is a multi-disciplinary body drawn from the professional Institutions with strong railway interests. The members are the Institution of Civil Engineers (ICE), the Institution of Mechanical Engineers (IMechE), the Institution of Engineering & Technology (IET), the Institution of Railway Operators, (IRO) the Institution of Railway Signal Engineers (IRSE), the Permanent Way Institution (PWI) and the Railway Civil Engineers Association (RCEA). The REF provides informed professional comment on railway issues both in response to government and transport industry proposals and to matters of more general concern.

Delivering a Sustainable Railway is supported by the Railway Technical Strategy, comments on which are contained in a complementary document.

1. General Comment

1.1 The Railway Engineers’ Forum supports the Railway Forum comments on the main document.

— It welcomes the recognition of railway growth, both current and future.
— It welcomes the degree of forward planning and funding certainty that the HLOS and the SOFA represent for the industry.
— It welcomes the government commitment to growing railway capacity at its current rate and the £15 billion of support over the next control period.
— It welcomes the removal of specific bottlenecks at Reading and Birmingham New Street, and the provision of an additional 1,300 passenger vehicles.
— It particularly welcomes the commitment to Thameslink, and now similar energy behind the Crossrail project.
— It also welcomes the concept of the Strategic Freight Network as an opportunity to raise capacity by traffic segregation, and expand rail freight.
— It welcomes the commitment to continue funding for research aimed at improving the safety and cost-effectiveness of the railway.

1.2 The Forum also accepts the government’s long term agenda which is described as “increasing capacity, improving customer experience, and fulfilling the railways environmental potential, tackled alongside the permanent priorities of safety, reliability and cost” (p 137).

1.3 However, the Forum is concerned that there is still no explicit connection between the Government targets on Carbon Dioxide reduction (a 30% reduction in CO2 emissions by 2030 and 50% by 2050) and the White Paper. What the country needs is described in European documents as “Sustainable Mobility”. This is a wider need than “A Sustainable Railway” bearing in mind that rail currently contributes a tiny fraction of the UK transport carbon emissions. To reduce these emissions the country needs joined-up policies on land use, planning law, and energy generation, as well as rail friendly inter-modal transport policies.

2. The Place of Rail

2.1 Rail is not good for all traffics, but cannot be matched as the sustainable transport mode for high density high volume flows between nodes, be they freight or passenger. For rail to “fulfil its environmental potential” we need policies that promote modal transfer to rail, and provide the capacity to meet it. There is no real sign of provision on this scale in the White Paper, or the policies to create suitable flows and modal shift in the governments approach.

2.2 The Railway Engineers’ Forum therefore judges the White Paper, the HLOS and the SOFA on the basis of what it sees as the needs for Sustainable Mobility, rather than what is good for rail in isolation.

2.3 The main measures the Railway Engineers’ Forum sees as necessary are as follows. Examination of the White Paper suggests that the items in **bold italics** are at present missing from declared government plans.

1. A framework of incentives to encourage rail use in high capacity corridors.

2. Significant capacity provision to manage modal shift from road/air to rail.

3. A rail based strategy for internal UK journeys that reduces short haul flights over land and transfers airport capacity to long-haul operations.

4. Measures to inform users of the full cost of their modal choices related to each journey.

5. Full external costs and benefits included in transport project evaluation.

6. Planning framework protecting rail from additional environmental project costs, to encourage traffic transfer from more damaging modes.

7. Further development of attractive and competitive rail services dealing with all journey aspects of stations, interchanges, information systems and vehicles.

8. Local land use policies to integrate transport services.

9. Development of the key modal interface, that between the car and the train.

10. Measures to optimise capacity using the existing railway infrastructure.

   (a) Longer trains.
   (b) 7 day railway operation.
   (c) **Maximum segregation of rail traffic types**.
   (d) Improved signalling systems incorporating junction optimisation differential speed control, and traffic management.
   (e) Station layout improvements.
   (f) Action to reduce “pinch points” and speed restrictions.
   (g) Reduce the incidence of flat junctions through grade separation.
   (h) **Timetable and service simplification**.

11. Continuous improvement in the environmental performance of trains.

12. A continuous programme of further electrification aimed at:

   (a) delivering electrification cheaply.
   (b) reduced fossil fuel dependency.
   (c) transport gain from reduced emissions in electricity generation.
   (d) the reliability, reduced operating cost and cleanliness of electric trains.

13. Research into the application of hybrid and fuel cell technologies to rail.

14. Use of appropriate modes for relevant traffics.

   (a) Light rail/metro systems for high density flows in cities.
   (b) Utilisation of bus/road for low density, distributive flows.
15. A full exploitation of the Channel Tunnel and the High Speed Link capacity for rail freight and international passenger journeys.

3. CONCLUSION

3.1 History may well judge on sustainability that we did too little too late. Nevertheless, Britain gave the world its railways, and can still lead the world in the technology to deliver the full potential of railways to the environment. This will be a growth market.

3.2 The Railway Engineers Forum, with its member institutions stands ready to help the country go further than this White Paper and deliver a railway that delivers all its full potential towards 21st century sustainable mobility.

The Department for Transport’s Rail technical strategy

The Railway Engineers Forum (REF) is a multi-disciplinary body drawn from the professional Institutions with strong railway interests. The members are the Institution of Civil Engineers (ICE), the Institution of Mechanical Engineers (IMechE), the Institution of Engineering & Technology (IET), the Institution of Railway Operators, (IRO), the Institution of Railway Signal Engineers (IRSE), the Permanent Way Institution (PWI) and the Railway Civil Engineers Association (RCEA). The REF provides informed professional comment on railway issues both in response to government and transport industry proposals and to matters of more general concern.

The Railway Technical Strategy is a supporting document to Delivering a Sustainable Railway. REF comments on the White Paper are contained in a complementary document to this response.

1. MAJOR PLUS POINTS

1.1 The Railway Technical Strategy is the first government backed technical strategy for the railway for at least 50 years. It is aligned with the White Paper Delivering a Sustainable Railway; with the associated HLOS (High Level Output Statement) and SOFA (Statement of Funds Available).

1.2 The REF welcomes this document with the stated purpose of the RTS. Aligned with the HLOS, it brings a confidence to the rail market in the UK in a way that has not been done before.

1.3 We recognise that this has been a major piece of work for the DfT, and applaud the contribution to it by railway professionals. We particularly welcome the emphasis on delivering a 7 day railway that the RTS proposes, the acknowledgement of current rail growth and achievements, plus the financial base to plan for continued growth with significant projects and more new trains.

2. PURPOSE OF THE RAIL TECHNICAL STRATEGY

2.1 Perhaps inevitably, there are some less satisfactory aspects. In the view of the REF, the Railway Technical Strategy does not fulfil its stated purpose, which was set out as follows.

— Creation of appropriate incentives.
— Appropriate standards and guidance for the specification of asset renewal.
— Harmonisation of objectives for major projects.
— Definition of key priorities for long-term research.
— Helping to shape Britain’s response to European initiatives.
— Application overall of a whole-life, whole-system cost approach.

2.2 These objectives are discussed in turn.

2.3 Creation of appropriate incentives

2.3.1 It is unclear as to where the document does this. By way of example, creating a more reliable railway is laudable, but the RTS lacks consistency of target, or reference to appropriate mechanisms.

2.3.2 It does not accurately reflect the market position of UK rail in a global system. It therefore places much emphasis on the UK specific requirements from trains and infrastructure, without suggesting a mechanism for delivery.
2.4 Appropriate standards and guidance for the specification of asset renewal

2.4.1 Section 4 on “The Railway As A System” does this well.

2.5 Harmonisation of objectives for major projects

2.5.1 Section 4 also helps to do this.

2.6 Definition of key priorities for long-term research

2.6.1 With some detailed reservations, it does this. Thus train availability is suggested as a target, whereas train reliability is a theme of the document. The two are not the same.

2.6.1 The document places too great a dependency on the emergence of new power technologies, and ignores the clear benefits of best use of existing technology, notably electric railways.

2.7 Helping to shape Britain’s response to European initiatives

2.7.1 This would be better done if the document acknowledged the existence of current European policies, (eg modal shift to rail on the grounds of congestion and economic efficiency).  

2.7.2 Its view of ERTMS may yet prove to be very optimistic in terms of the timescale for delivery of Level 3 systems capable of delivering the necessary benefits for the UK system.

2.7.3 We do not agree with the statement that cab signalling needs to precede electrification to avoid immunisation costs.

2.8 Application overall of a whole-life, whole-system cost approach.

2.8.1 The RTS appears to be based on low levels of cost-benefit research and therefore fails to do this well. For instance, train unreliability is a small component of service unreliability—typically 15% of total delays. The document suggests a target to improve train reliability by a factor of four or five. Infrastructure delays are currently around 60% of all delays, yet the document does not suggest any target for improvement, or suggest where a cost effective balance should lie.

3 Alignment with HLOS

3.1 While the Railway Technical Strategy acknowledges the need for alignment with the White Paper—and this is a good starting point—it has the weakness of importing all the deficiencies of the latter. In particular, it fails to move swiftly to maximise the potential of rail in the reduction of UK carbon emissions.

3.2 We are also very concerned about the lack of robustness in the strategy’s thinking on the period beyond 2015.

3.3 The following we see as of particular importance.

3.4 Growth

3.4.1 The White Paper barely accommodates the planned growth that the railways are currently experiencing, despite the handicaps railways face created by Government policies on taxation, pricing and planning. The message is in the opposite direction—of further price increases to choke further demand and add barriers to modal shift.

3.5 Modal Shift

3.5.1 It fails to recognize the European Policies for modal shift to rail as outlined in the Commission’s White Paper (2001) and its 2006 update. The 2001 case was made on the basis of economic efficiency and congestion, and proposed a Europe wide Freight network, the 2006 update added the climate change perspective.

3.5.2 The key message from recent work in Europe is that left unchecked transport will use up the total CO2 allowance and air will use up all of transport’s quota by 2035.2 The only way to maintain mobility and meet the European 2°C temperature increase restriction target includes a modal shift to rail.

3.5.3 It therefore fails completely to plan for additional growth stimulated by modal shift on the grounds of climate change, yet this shift will be required to meet the government’s own targets on CO2 reduction. (30% on 1990 base by 2020 according to Climate Change Bill).

3.6 Wider Options

3.6.1 The White Paper acknowledges that growth in demand and wider socio-economic factors could require radical options, including new build, preferably exploiting existing unused alignments such as the Great Central Route. If such an intervention is to remain an option, preparatory work would need to begin now.

3.7 Skills

3.7.1 In the same context, we are disappointed that the strategy has very little to say on developing the necessary skills. Long term issues of skills shortages in science, engineering and technology have been well publicised in recent years. Investment needs to begin now in training and development to ensure that the UK has access to the necessary human resources as the programme unfolds and develops.

4. THE WAY FORWARD

4.1 The REF welcomes the document as a working base to get to a strategy that reflects the country’s need for sustainable mobility as part of a competitive European economy.2

4.2 The REF will help to co-ordinate the professional response to the document by co-sponsorship of events with its constituent professional Institutions, and by arranging its own suitable events. Suitable events will be aimed at improving the strategy in the way that it impacts on

- Infrastructure, track and signalling
- Trains
- Customer appeal

4.3 The REF will also lobby for a full recognition of the place of Railways as a solution to climate change and economic efficiency issues.

October 2007

Memorandum from the South East England Regional Assembly (RWP 48)

RECOMMENDATIONS

It is recommended that the Committee:

1. Endorse the response set out in Annex 2 and agree that it be submitted to the Department for Transport, the Office of Rail Regulation and Network Rail as the region’s response to the Rail White Paper.

2. Agree that the response set out in Annex 2 be submitted to the House of Commons Transport Committee in response to their call for evidence for their inquiry into the long term strategy for the railways.

3. Request that the Regional Transport Board take into account the points raised in the response when considering its review of regional transport priorities.

PURPOSE OF REPORT

To advise the Committee of the contents of the Rail White Paper Delivering a Sustainable Railway published in July 2007 and its implications for the region. To seek the Committee’s approval for a response to these issues in so far as they affect the region.

KEY ISSUES

The White Paper sets out a 30 year strategy for rail, and importantly contains the parameters for rail spending between 2009 and 2014—known as the High Level Output Specification (HLOS). This is the new process of controlling and directing rail spending enacted by the Railways Act 2005. It is important to note that the HLOS does not contain detail on particular schemes, unless these are specifically deemed to be of fundamental importance to the strategy, rather this is left to more detailed work managed by the ORR and developed by Network Rail. This more detailed work will conclude in Spring 2008 with an adopted strategic business plan for Network Rail up to 2014 setting out in more detail spending priorities for the rail industry.

1. **OVERVIEW**

1.1 The Rail White Paper is the first since the Railways Act 2005. It sets out three goals for the industry:

— increase its carrying capacity and ease crowding, focusing first on routes which have the worst crowding problems;

— constantly improve the quality of its service to meet the increased demands of current passengers and attract new users; and

— must reduce its carbon footprint in terms of CO2 emissions per passenger and tonne of goods moved, and maintain its advantage on these and other environmental issues.

1.2 The Government aims to do this against a backdrop of a forecast of 30% growth in passenger demand over next 10 years, which follows the 40% growth since 1996. It doing so it sets the ambition to develop a railway that “can handle double today’s level of freight and passenger traffic”.

2. **PERFORMANCE RELIABILITY**

2.1 The White Paper sets a network wide performance reliability target of 92.6% by 2014, with a more stringent target of 93% in London and the South East (up from 88% today). It also sets a new target of 21% reduction in delays of more than 30 minutes in London and South East. There is recognition of the importance of considering the end to end journey (ie including getting to stations, purchasing tickets etc). Proposals are set out to monitor this issue and a suggestion that a target may be set post 2014.

3. **CAPACITY ENHANCEMENTS**

3.1 The approach to enhancing capacity is set out within the White Paper. This will guide the development of Network Rail’s Business Plan in the future. The approach proposed by Government is:

(i) maximise the use of existing assets;

(ii) lengthen existing train services;

(iii) enhance infrastructure to improve frequency and capacity;

(iv) simplify service patterns; and

(v) step change in infrastructure provision.

3.2 Previous Government announcements to purchase an additional 1,000 carriages by 2014 are confirmed. The need for an additional 300 carriages is also identified bringing the total to 1,300 carriages. The White Paper sets out that this additional capacity will be targeted at those areas suffering the worst over crowding. This is expected to lead to at least 70% (or approximately 900 carriages) being allocated to services in the Greater South East.

4. **FARES**

4.1 Regulated rail fare increases up to 2014 will remain as present (ie retail price index plus 1% per annum). The White Paper sets out a desire to move towards a simplified fares structure, which will make it easier for passengers to understand the real costs and options open to them. Building on this, the Government proposes to introduce a “Price Promise” to all franchises to ensure that passengers are offered the best deal, or that a refund is made of the difference.

4.2 Encouragement is given to the introduction of zonal pricing structures for services in urban environments (ie similar to the zonal price structure in London) but this will not be a requirement. The White Paper supports increasing use of smartcard and mobile phone ticket purchasing, wishing to see these available across all rail in major cities (including integration of these with Oyster).

5. **FREIGHT**

5.1 The White Paper draws heavily on Network Rail’s freight Route Utilisation Strategy. It announces the development of a strategic freight network, with an initial investment of £200 mi up to 2014. These funds will be in addition to other funding streams (such as Transport Innovation Fund) that are already being used to improve the capacity for freight movements. In the first instance the additional funding will concentrate on gauge enhancement, and providing diversionary routes for the key freight flows.

6. **REGIONALLY SPECIFIC ISSUES**

6.1 The White Paper identifies only three major capacity enhancements. Two of these will have significant benefits for this region. Confirmation of the delivery of improvements to Thameslink services (£5.5 billion) will improve capacity for north-south cross London movements and increase travel opportunities for large parts of Sussex, Kent and Surrey areas.
6.2 Removal of the bottleneck at Reading Station is confirmed as a major scheme, with £425 million identified to fund the works. The scheme will address capacity issues on the Great Western main line, as well as including passive provision for both the Airtrack and Crossrail schemes. It will also help improve capacity for north-south cross country movements. The latter is of importance for both passenger and freight services.

6.3 The White Paper does not consider in detail issues associated with the delivery of Crossrail. This proposal is currently the subject of a Hybrid Bill in Parliament. An announcement on the funding arrangements for the proposal will be made separately at a future date.

6.4 There is an acknowledgement of the level of growth planned for the region within the White Paper and an awareness of the importance of investing in services and infrastructure to support it. It is appears that the main focus for investment in the region will be a significant programme of train/platform lengthening running up to the 2020 period.

7. OTHER INITIATIVES

7.1 The White Paper proposes the development of rail station travel plans as part of the initiative to target the whole journey. Travel plans would need to be developed jointly between the train operator, Network Rail and Local Authorities.

7.2 A fund for enhancements to medium size stations is proposed. The £150 million available will be targeted at improving the quality and capacity of stations.

7.3 The White Paper confirms that the Government does not plan to close any rail lines in the period to 2014. However, equally it does not identify any planned openings that will be funded by Government. This does not preclude proposals for re-openings coming forward, however any such proposal would have to identify its own funding source and this would need to be other than mainstream rail funds

8. LONGER-TERM STRATEGY

8.1 The White Paper is billed as a long-term strategy however its main focus is on the period up to 2014. There is however a commitment given to the replacement of the current fleet of Inter-City express trains that currently operates the majority of long-distance services out of London Paddington.

8.2 The White Paper places greater store in the potential for new signalling and communication systems to provide additional capacity and operational flexibility.

8.3 The Government does not support either MagLev or the development of new dedicated high-speed lines for long-distance services, arguing that the most pressing issue is capacity on the existing network. However it acknowledges the issue of high-speed lines will need to be revisited in the future. It rejects proposals that are responses to single issues (eg the Central Railways freight proposal) on basis that it is more sensible to invest in the overall network.

8.4 In terms of further electrification, the White Paper indicates that there may be a need to consider this in the medium term. However, it suggests that there other options may be more viable (ie bio-fuels and hydrogen fuel) over longer term that will assist in reducing emissions and carbon footprint. On all of these issues the Government argues that if they were implemented now it would result in delaying action to address more pressing issues.

9. DISCUSSION

9.1 The Government has focused heavily on the financial issues associated with the provision of rail services for the next five years; that is after all the purpose of the High Level Output Statement. However, the White Paper should provide a longer-term vision within which those involved in the provision and development of rail services can plan effectively. In this requirement the document is sadly lacking.

9.2 The White Paper represents a missed opportunity to set out how the rail industry needs to develop in the medium to long term in order to make its contribution towards a more sustainable pattern of development. The timescale associated with the development of major projects is lengthy and if investment is to be delivered in a timely manner such a longer-term vision is absolutely essential. As it currently stands the White Paper is likely to result in the rail industry being far more reactive than should be the case.

9.3 In this respect while the acknowledgement of the role of spatial planning in shaping the future of the rail industry is welcomed, translating this into a positive approach to planning on an integrated basis remains very much work in progress.

9.4 The fact that the White Paper is promoted as a commitment by Government to planning for growth is again welcomed and clearly demonstrates that the industry has moved on substantially from the nadir of Hatfield, symbol of the failure of Railtrack. The recognition that the greatest problems of overcrowding and reliability lie in the Greater South East should result in additional investment in the rail services in our region. However, the question remains as to whether this is sufficient in order to meet the challenges identified in the draft South East Plan.
9.5 Dig below the headlines and the detail within the document shows that the period up to 2014 will be one of incremental improvement rather than “step-change”. Annex 1 sets out the planned changes to capacity and reliability across the rail network. It appears that the capacity of most routes in the region will increase roughly in line with background growth. Such investment while welcome will do nothing to address current levels of overcrowding nor will it provide much scope for the region to achieve the significant modal shift that is necessary.

10. **NEXT STEPS**

10.1 The publication of the High Level Output represents one step in the process of determining the financial framework for the rail industry in the period to 2014. Network Rail will now prepare a revised business plan setting out how the outputs identified by the Government might be delivered, following which the Office of Rail Regulation considers the financial implications of that business plan within the framework of funds available from Government.

10.2 At the same time the House of Commons Transport Committee has announced that it is going to undertake an inquiry into the Government’s long-term strategy for the rail industry.

10.3 It is therefore timely for the Assembly to offer a considered view on the content of the White Paper. In so doing it is appropriate to distinguish between those issues that have an impact in respect of the work underway to finalise the financial framework for the period to 2014 and those that relate to the longer-term vision. A proposed response is set out for consideration by this Committee (Annex II).

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**Annex 1**

<table>
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<tr>
<th>Routes</th>
<th>Annual Passenger km Forecast in 2008–09 (millions)</th>
<th>Additional Passenger km to be Accommodated by 2013–14 (millions)</th>
<th>Change % 2008–14</th>
<th>Change pa %</th>
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*BOLD = affecting the regions services*
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<th>Extra demand to be met by 2013–14</th>
<th>% increase 2008–2014</th>
<th>% increase pa</th>
<th>Maximum average load factor at end CP4 (%)</th>
<th>Forecast demand in 2008–9</th>
<th>Extra demand to be met by 2013–14</th>
<th>% increase 2008–2014</th>
<th>% increase pa</th>
<th>Maximum average load factor at end CP4 (%)</th>
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</tbody>
</table>

BOLD = affecting the regions services

### Annex 2

#### 1. Context

1.1 The Regional Assembly is the Regional Planning Body for South East England. The Assembly is responsible for developing the statutory Regional Spatial Strategy; the South East Plan. The South East Plan provides the planning framework for the region for the period to 2026.

1.2 An integral element of the South East Plan is the Regional Transport Strategy. Government guidance (as set out in Planning Policy Statement 11: Regional Spatial Strategies) identifies that the South East Plan should, inter alia, provide a long term framework for transport in the region. It should also provide a strategic framework for public transport that identifies measures to improve accessibility to jobs and key services at the regional and sub-regional level, expands travel choice, improves access for those without a car, and guides the location of new development.

1.3 The draft South East Plan has recently been subjected to an Examination in Public by an independent Panel of Inspectors. The Panel’s report has recently been published and its recommendations are currently being considered by the Government.

1.4 The Panel’s report confirms the importance that the South East Plan places on the critical role of the rail industry as part of the region’s transport system. It also supports our view that the alignment of investment plans across a range of sectors is critical to ensuring the timely delivery of investment in support of planned growth.

#### 2. General Comments

2.1 The White Paper is billed as a long-term strategy however its main focus is on the period to 2014. An opportunity has therefore been missed to set out the long-term strategy enables the rail industry to realise its full potential as part of a transport system that encourages more sustainable pattern of development.

2.2 History reminds us that the railways have helped shape the pattern of development and movement within our society. With the emphasis now on spatial planning so the importance of understanding the nature of this relationship increases. The long-term (ie 20 year) planning horizon of the Regional Spatial Strategy (in our region the South East Plan) should therefore be used by Government to shape and influence the vision for the rail industry.

2.3 Although the White Paper acknowledges the significance of the linkage with the planning system it fails to build upon the evidence base that underpins the draft South East Plan. As a consequence the longer-term vision set out in the White Paper (such as it is) suggests that Government policy will be reactive to changes in circumstances. Such an approach is not conducive to ensuring the timely delivery of infrastructure in support of development.

2.4 The White Paper seeks to take into account some of the wider environmental impacts of future technologies as they might apply to the rail industry. Such an approach is commendable however it is essential that Government extends this approach to its assessment of all modes of transport.

2.5 If the Government is to truly adopt the “mode agnostic” approach advocated by Eddington in identifying the most appropriate solution to a particular problem, it is necessary for all modes to be considered on an equal basis. It is therefore essential that the impacts of long-distance rail services (both positive and negative) are compared on a similar basis to any consideration of potential alternatives, such as short haul aviation or long distance car trips.
3. Capacity Enhancements

3.1 We are pleased to see that the White Paper commits the Government to removing the capacity bottleneck at Reading Station and to the delivery of the Thameslink project. The proposal for Reading Station makes passive provision for the extension of Crossrail to Reading; an objective that is set out in the South East Plan.

3.2 While we understand that consideration of the Crossrail proposal continues to progress through the House of Parliament at present the White Paper represents a missed opportunity for Government to map out how the development of both Crossrail and Thameslink provide the opportunity to develop the rail system in the Greater South East over the longer-term.

3.3 Furthermore the White Paper is a missed opportunity to set out how Government seeks to use opportunity of the 2012 Games to derive a legacy benefit for the rail system. Proposals such as Airtrack and improvements to the station at Gatwick Airport are clear examples of capacity enhancements that need to be delivered in time to support the 2012 Games. Their legacy is that they support delivery of the growth set out in the South East Plan. Using the White Paper to set out and develop such linkages would have provided the Government with the opportunity to demonstrate a co-ordinated approach to investment.

3.4 It is important that in developing the detailed proposals for the period to 2014 that both Network Rail and the Office of Rail Regulation fully reflect the need to ensure adequate funds are made available to progress the detailed development of proposals that will ultimately be delivered a later point in time. Unless sufficient regard is given to ensuring that the pipeline of new proposals continues to flow, the capacity enhancements required to support growth will not be delivered in a timely manner.

3.5 In considering the need to invest in the development of schemes to a point at which they are ready to be delivered, regard be given to those schemes of regional significance. The Regional Transport Board has identified capacity enhancements at Oxford Station and in the Milton Keynes/Bletchley area as being of regional significance. The Board will be updating its regional investment priorities in 2008 and would welcome the opportunity to work closely with both Network Rail and ORR to ensure that regional investment priorities are properly reflected within the financial framework for the rail industry.

4. Alignment with Spatial Planning

4.1 The greater acknowledgement in the White Paper of the importance of seeing the rail network as part of the wider spatial planning agenda is welcome. The growth in the region will only be delivered if it is accompanied by targeted investment in infrastructure.

4.2 The development of the rail system will be a significant element of that infrastructure requirement. The announcement in the White Paper of 1300 extra carriages and associated infrastructure targeted to those areas in greatest need is therefore welcomed. We strongly urge the Government to ensure that a proportionally high percentage of these carriages are provided for the benefits of passengers in South East England.

4.3 We remain concerned as to the extent to which the additional capacity set out in the White Paper will merely address existing issues of overcrowding. The growth set out in the South East Plan demonstrates the scale and broad location of future growth in the region. Recent experience with the franchising process, most notably the re-letting of the Greater Western franchise, demonstrated a failure within Government to fully reflect such growth in its assumptions underpinning franchise specifications.

4.4 The South East Plan identifies the importance of re-opening the rail corridor from Oxford to Milton Keynes (including the link to Aylesbury) as fundamental to ensuring growth is delivered along the corridor. In the longer-term the route should be seen as the western part of a corridor that connects Oxford and Cambridge. Work underway within region is being taken forward to develop the scheme to a level ready for delivery. This work includes consideration of funding sources outside of mainstream rail expenditure. However, if the White Paper is genuinely to provide a long term vision for the industry then it should give due regard to initiatives that are of regional, if not national, significance. Such a context will help provide greater clarity as to the longer term vision which in turn will enable regional and local partners to seek out and develop appropriate funding mechanisms.

4.5 The Panel that examined the South East Plan concurred with our view that encouraging behavioural change is one of the biggest challenges facing us. We must seek the opportunity through future franchising competitions to provide the additional capacity that is required in order to achieve modal shift. Through the South East Plan we are able to identify the critical corridors on which additional capacity should be sought. Previous correspondence with the Department for Transport has indicated a willingness to examine the extent to which the Regional Planning Body can be more involved in scoping the specification for future franchises.

4.6 The upcoming re-letting of the Southern franchise provides an ideal opportunity to improve the level of co-ordination on such matters. However, the financial framework set now will largely shape the extent to which the potential exists to secure the additional capacity required as part of that franchise. It is therefore essential that in setting the financial framework for the next five years due regard is given to the need to plan for an enhancement in capacity to explicitly encourage modal shift.
4.7 The South East Plan provides the framework for long term planning in the region. It identifies nine sub-regional areas that will be the focus for growth and regeneration. It identifies 21 regional hubs that will act as a focus for development and as a centre for services provided to the surrounding area. These spatial principles must be used as the building blocks for future investment strategies and franchising specifications.

4.8 The White Paper should provide the context within which Government aligns its investment proposals for the rail network with other initiatives, such as Growth Areas, New Growth Points and eco-towns. Investment in the transport system should be increasingly viewed not as being required to enable delivery of growth.

4.9 We believe an opportunity has been missed by Government to use the White Paper as a means of setting this vision out in a way that supports improved alignment of investment. Our spatial vision, with its network of hubs and spokes, should be used the framework within which proposals supported as part of the investment in medium sized stations should be developed. We look to the Regional Transport Board to work with partners across the region with a view to identifying potential candidates. Through the Board’s work we will be able to ensure that investment made through this programme is closely aligned with the region’s transport priorities.

5. **London**

5.1 We agree that there is a need to ensure that the rail system in London realises its full potential; indeed as we have set out above this should be the philosophy underpinning the entire White Paper. However it is important that the needs of London are not given undue weight over the needs of the surrounding regions.

5.2 We supported the proposal to give enhanced powers to the Mayor but this was on the basis that the region would have a voice on the Transport for London Board. Such a representation is essential to ensure that the needs of passengers outside the London area are not disadvantaged. While the Department for Transport has confirmed that the Mayor has now been given additional powers there has been no discussion with the region as to how its voice will be heard on the TfL Board. This needs to be addressed as a matter of urgency and we look to the Mayor to discuss with the Regional Transport Board the means by which the region’s voice will be taken into account.

5.3 We acknowledge that investment in additional capacity at London stations can have substantial benefit to the region. Where this is the case we will look to work with the Mayor to ensure that such opportunities are realised at the earliest opportunity. The opportunity presented by the relocation of Eurostars away from London Waterloo is a case in point. Similarly we acknowledge the opportunity to develop the interchange facilities at Clapham Junction, however this will need to be carefully planned so as to ensure that the potential negative impact on long-distance services is minimised.

6. **Ticketing**

6.1 We welcome the emphasis given to the “roll out” of ITSO ticketing. The opportunities that this type of ticketing technology offers to the rail network cannot be underestimated. However, picking up the theme in the White Paper of the need to consider the “whole journey” it is important that the Government play a proactive role in seeking to extend the application of this technology to other forms of transport, particularly other forms of public transport.

6.2 The Regional Transport Board is developing a package of measures specifically targeted at encouraging “smarter choices”. As part of this approach it is considering the extent to which it is possible for the region to take a lead in encouraging the widespread use of ITSO ticketing as part of a co-ordinated approach to transport services. We would welcome further dialogue with the Government on how our common objective might be realised at the earliest opportunity.

7. **Strategic Freight Network**

7.1 We support the commitment given by the Government to the development of a Strategic Freight Network, with an initial investment of £200 million up to 2014. Once again the opportunity should be taken to ensure that the freight network reflects the priorities set out in the South East Plan. Here the importance of the region’s gateways is clearly set, together with the need for investment in the development of the landside infrastructure to support their operation. Our regionally significant ports are located at Southampton, Portsmouth, Dover, Medway (Sheerness) and Medway (Thamesport).

7.2 In the longer term the South East Plan sets out the planning context for examining the merits of a Lower Thames Crossing. Such a facility would not only have potential benefits in terms of delivering the regeneration of the Thames Gateway but more importantly in this context, it could provide a link in a strategic freight by-pass of London.

7.3 In terms of developing the strategic freight network we view improvements to the loading gauge as being of critical importance. We support the work underway at present to secure funding from the Transport Innovation Fund to improve the loading gauge on the route from Southampton to the West Midlands. However, there is also a need to look longer term both in terms of diversionary routes and alternative routes that give access to the West Coast Mainline.

*September 2007*
Memorandum from National Express Group PLC (RWP 49)

SUMMARY

We have structured our submission with two introductory sections:

1. About National Express.
2. Our Vision for Rail.

We have then covered the four main themes of the White Paper:

3. How the railways can handle double today’s level of freight and passenger traffic.
4. How the railways can be made even safer, more reliable and more efficient than now.
5. How the railways can cater for a more diverse, affluent and demanding population.
6. How the railways can reduce their own carbon footprint and improve their broader environmental performance.

There is a brief Conclusion as Section 7.

National Express is happy to provide further information requested by the Committee, and to organise visits to any of its facilities that the Committee would find of interest.

1. About National Express (NX)

1.1 NX is a UK-based international public transport business, with interests in coach, bus, rail and light rail in the United Kingdom, North America, Spain, Portugal and North Africa.

1.2 We are continuously working towards meeting our central promise to our customers—Making Travel Simpler. For example, we are leading innovation in retailing—making fares comprehensible and tickets easy to purchase. We are also taking the lead in intermodal integration.

1.3 We are passionate about travel by the modes that we operate, believing that we play an increasingly important part in delivering sustainable economic growth with the lowest environmental impact. We estimate that our customers avoided over three quarters of a million tonnes of CO2 emissions in 2006 by choosing our services in preference to the car. But we also believe that travel is a customer-oriented service which, like all such businesses, must put the customer first in order to succeed and grow.

1.4 Our commercial imperative in rail is to cause customers to choose the train in preference to the private car, rather than being forced to use the railway as a distress purchase. This philosophy offers, in particular, the best means of generating leisure and off-peak revenue to improve the returns on public and private sector investment in the railway. It requires a concentration on the needs of customers rather than on the railway merely as a means of production.

1.5 To use the language of the Government’s White Paper—we have been winning the battle to get the basics right. The NX Performance Management Improvement Process (P-MIP) has led to our Train Operating Companies (TOCs) consistently topping the league tables of reliability. We advocated at the time of the Government’s 2004 White Paper, The Future of Rail, that our approach should be extended across the railways. This has led directly to Joint Performance Improvement Plans (JPIPs) becoming the standard practice across the whole industry.

1.6 We believe that our approach to performance and customer service played a big part in the recent decision of the DfT to award us the Inter City East Coast franchise from December this year. At the turn of the year, we will be the operator of four franchises—National Express East Coast (NXEC), one, c2c and Gatwick Express. In combination, these businesses will be responsible for around 15% of all journeys on the Great Britain rail network, and around 20% of its revenue. We are also a major shareholder in Inter Capital and Regional Rail Limited (ICRRL), the UK component of the Eurostar business.

1.7 Engagement with stakeholders, industry bodies and the institutions of government forms an important part of our work. Individually, our six current TOCs have been contributing for the past two years through ATOC and in bilateral discussions with Network Rail to the development of all three elements of the Department for Transport (DfT) High Level Output Specification (HLOS) for the railways: reliability, safety and capacity. We made a corporate submission to the DfT on the HLOS earlier this year.

1 Delivering a Sustainable Railway, July 2007.
2. Our Vision for Rail

2.1 In the 21st century, trains benchmark the quality of a country’s passenger transport system. Nations are judged by citizens, visitors, and investors on their ability to run fast, clean, safe and reliable railways.

2.2 The standard of a train service can affect the economic success of a city, region or country. New lines, rolling stock and facilities bring investment to cities. Without its railways, London could not function, and would not have become the world’s capital of business and commerce. Many other flourishing UK city regions are experiencing a similar phenomenon, with their trains filling up as employment in new, cognitive industries grows.

2.3 The Eddington report\(^2\) highlighted the role of rail in these markets: linking our cities, bringing skilled employees into our urban centres, and providing access to international gateways. The study also stressed the importance of investing in enhanced capacity on the existing corridors.

2.4 We agree that using trains in these markets represents a highly efficient use of land, fuel—whether electricity or diesel—and time. It also provides impressive environmental benefits when compared to most other modes, making the train a powerful weapon in the battle against climate change. The Stern\(^3\) report identified the need to reduce transport emissions.

2.5 But a truly long-term vision for rail takes us beyond the current pressures of capacity or reliability. After the Hatfield accident, the focus was on improving punctuality and reliability. That goal has largely been achieved, and we are proud of our role in reaching it. Our c2c train company has consistently been the top-performing railway in Britain over the past two years, whilst our Midland Mainline business has consistently outperformed all of its long-haul competitors. We will be bringing our approach to NXEC from December.

2.6 Already, passengers expect more than punctual and reliable trains. Indeed, they are entitled to do so, as these qualities should be almost a given in the contract that exists between the customer and the railway. Increasingly, the ever-growing numbers of passengers are demanding the levels of customer service they are accustomed to from other retail activities, and the levels of accessibility they expect from other public services.

2.7 People will also expect a seat, at least on medium and long distance journeys. It would be a missed opportunity of gigantic proportions if we were to fail to capitalise on the surge of passenger use on the railways. This surge has been driven by our industry’s achievements in improving performance, coupled with a growing public desire to travel by more sustainable means. Providing the capacity to carry those passengers should be a clear public policy objective for the next 30 years.

2.8 It is a welcome development that in 2007 the UK Government has published for the first time a 30-year strategy for the railways, alongside the HLOS describing what the nation expects from the railway industry in respect of reliability, safety and capacity. There has also been a Statement of Funds Available, indicating how much taxpayers’ money the Government is prepared to contribute to the railways.

2.9 The impact of these announcements from 2008 onwards will be felt in the round of rail franchise competitions due to commence around 2010. We are developing our own vision for the kind of rail businesses which could emerge in the next decade, linking our experience with the view of the future set out in the White Paper. To take the example of our one franchise—the only UK rail business currently embracing the full suite of inter-city, commuter, airport and rural services—we are considering such questions as:

- how, in 2037, could one help East London and East Anglia to benefit from their proximity to mainland Europe?;
- what will be the contribution of the railway to unlocking the potential of the legacy of the 2012 Olympic and Paralympic Games at Stratford?;
- what will be the impact of the sustained population growth derived from the Thames Gateway and Stansted-Cambridge-Peterborough development areas, and how dependent will these regions be upon the quality and reliability of their mainline railway provider?;
- what will have been the impact of the introduction of full road user charging in the 2010–2020 decade, coupled perhaps with a high price for oil and punitive levels of duty on fuel for private cars?;
- will the 24-hour society projected in the White Paper cause demand for rail to be spread much more evenly than in the first decade of the century?;
- what environmental, economic and operational case will there be for the extension of electrification and the use of alternative fuels over the next 30 years?;
- will changed demand patterns alter the financial base of the railways, enabling more TOCs to operate without the need for public subsidies, and facilitating long-term franchises with major investment components?; and

\(^2\) The Eddington Transport Study, December 2006.
\(^3\) Stern Review: The Economics of Climate Change, October 2006.
— above all, how can we continue to move the culture of the railway from a production-driven operation to a customer-focused business?

3. How the railways can handle double today’s level of freight and passenger traffic

3.1 For the first time in at least two generations, investment in railway infrastructure, vehicles and personnel is widely understood to be a sensible strategy for the long term economic and environmental well being of the UK.

3.2 Whilst this is a wholly welcome new context in which to debate future strategy, we are keen to ensure that investment decisions are focused on the current and future needs of the end users of the railway rather than being production driven. As the custodians of the relationship with passengers, we want TOCs to play a much greater role over the next 30 years in both specifying infrastructure enhancements to be carried out and, in some cases, undertaking those enhancements themselves.

3.3 NX wants its TOCs to be able to invest in longer platforms, larger car parks and other station enhancements, and the employment of more, better-trained employees. This is as well as the more accepted TOC role of leading the investment in rolling stock. These packages of improvements will underlie any aspiration for the capacity of the railway to grow to the extent envisioned in the White Paper. Passengers are far more likely to use the train for the core part of a journey if they can leave their cars in secure parking at safe, pleasant stations.

3.4 We have examined in particular the region where we are currently and will continue to be the principal heavy rail operator through our one and c2c franchises: the City of London, Docklands, East London and the east of England. The opportunity for rail to serve a growing market over the next 30 years is enormous, provided that the railway can move the sheer numbers of people wishing to travel.

3.5 For example, we strongly believe that one’s West Anglia mainline between London Liverpool Street and Cambridge via the Lea Valley should be renewed to a 100 mph specification, whilst the Southbury Loop and Cambridgenorwich route should be capable of no less than 70 mph. As rolling stock capabilities advance, the improved acceleration characteristics could generate extra capacity, ridership and revenue as line speeds are lifted. When combined with the modernisation and expansion of station facilities, and the procurement of new trains facilitating 30% more peak time seats, we believe that investments of this kind can attract significant numbers of new customers to the railway.

3.6 We believe that there is a commercial case for four fast/semi-fast services between London and Cambridge via the Lea Valley every hour. In the longer term we also agree with BAA’s aspiration for Stansted to be served by up to six trains per hour, albeit that the timing of this service improvement is likely to be determined in large part by BAA’s plans for a second runway. Passenger volume in 2008–09 is expected to be 1,561 million passenger kilometres. We expect this to grow by a further 482 million passenger kilometres per year by 2013–14.

3.7 Our longer term aspirations for the one network include electrification of the Ipswich-Peterborough route, enabling much more efficient operation of freight services to and from the Haven ports with benefits for passenger services across the region, including a diversionary route between Peterborough and Hitchin for the East Coast Main Line.

3.8 For c2c, we envisage overcrowding becoming a problem in the next decade due to a proliferation of short trips into London, driven by the demographic changes in the Thames Gateway area. Longer trains will help, but the busy Tilbury Loop is only equipped to handle 8-car trains. There is an urgent need for 12-car platforms on this route. There should also be double-tracking of the Ockendon branch—the fastest growing section of the c2c network.

3.9 The use of modern signalling technology will enable trains to run with shorter headways, although this does not necessarily resolve the problem of congestion at city centre termini. We have investigated some creative ways of dealing with this problem. For example by investing in a relatively small amount of new infrastructure, it would be possible for some c2c trains from Essex to terminate at the major employment centre of Canary Wharf in London’s Docklands, avoiding Fenchurch Street altogether.

3.10 Using existing corridors more effectively will undoubtedly contribute towards meeting our national transport objectives. Whilst the case for double-deck trains seems to have been largely discounted in the UK for now, there is certainly scope for longer trains serving stations with longer platforms, or for the more effective use of selective door opening technology where longer platforms are not feasible.

3.11 For NXEC, we will be procuring five additional train sets by 2010 to address capacity issues and deliver a greatly enhanced timetable. Our NXEC business will be taking the lead in the trials of new high-speed trains being procured by the DIT under the Inter City Express Project (IEP), which will set the benchmark for train design for a generation. We are especially keen to test this design against customer expectations as well as for performance, safety and other technical standards.
4. How the railways can be made even safer, more reliable and more efficient than now

4.1 The White Paper sets out comprehensively the cross-industry strategy for improving the operational safety of the railways. TOCs and their owning groups are working with Network Rail and the Rail Safety and Standards Board (RSSB) to meet ever more demanding requirements.

4.2 Where TOCs and their owning groups can make distinctive contributions to passenger safety is in the area of personal security. The approach that we take to this ever more important issue must be innovative.

4.3 NX submitted written and oral evidence to the Committee’s inquiry into Personal Passenger Safety in Railway Stations during 2006. For the new NXEC business, we will be installing CCTV on all trains, investing £560,000 on CCTV cameras at stations, and spending £8 million on station gating schemes including automatic ticket gates at eight stations.

4.4 The White Paper seeks a reduction of 3% in the risk of accidents affecting passengers and employees by 2014. Whilst this is not a long-term issue of the kind covered by the Committee’s current inquiry, it raises a wider issue.

4.5 Headline accident reductions of this kind will most likely be achieved through a reduction in the number of usually minor incidents of tripping, slipping and falling. The organisations best placed to deliver improvements of this kind are the TOCs, who operate the vast majority of stations. It is important to ensure, therefore, that TOCs are provided with the funds to carry out the necessary work on stations, rather than these funds disappearing into an overall safety budget allocated to Network Rail as the lead safety body. Overall, we would rather see more resources directed into the avoidance of catastrophic accidents, for example through improvements to level crossings.

4.6 We have described briefly above our approach to improving the reliability of the railways through forging a close working relationship with Network Rail and other suppliers. Technical reliability in rolling stock will be achieved though constant innovation and investment in technology, producing trains which are more robust in construction yet simpler to maintain. For example, our brand new Class 357 fleet on c2c has achieved industry-leading reliability statistics. Constant investment in the skills of train maintenance personnel is also vital, moving the railway from its traditional image as a heavy industry to one of twenty-first century technology.

4.7 As the White Paper suggests, investment in new signalling systems will enable the capacity of the railway to be enhanced. We believe that signalling renewals must take place more often over the next 30 years than hitherto, in order to capture the speed of technological progress. Moreover, the Public Performance Measure (PPM) targets set out in the HLOS will make it imperative that signalling technology is replaced more regularly.

4.8 Other technological innovations are to be found in existing railways elsewhere in the world. For example, in Japan automated track surveys are undertaken every few days. Problems are identified and rectified, whereupon a further test is carried out. This attention to detail maintains very high levels of track reliability.

4.9 Efficiency will be generated by investments in back-office facilities, ICT and personnel—items less visible than trains and stations, but still extremely important. Just as the railways at their inception were dependent upon—and stimulated the growth of—new technologies such as the telegraph and the telephone, the railways of the next 30 years will flourish alongside the internet, wireless transmission of data between trains and control centres (eventually including signalling data), and the increasing use of personal communications devices by operational staff.

4.10 A very important spur to greater efficiency will be to enhance the customer-driven rather than production-driven ethos of the railways. Passengers are the customers of TOCs, and TOCs are the customers of Network Rail. So, it is our view that it is for TOCs and their owning groups to predict passenger demand and expectations, and for Network Rail to respond as a supplier. It is vital that this relationship is understood and made to work properly if the railways are to be truly transformed over the next 30 years.

4.11 In that regard, we question the extent of customer demand for the 92.6% PPM target specified for 2014 in the White Paper. NX TOCs routinely deliver PPM of over 90% every day, and our customer satisfaction surveys suggest no great demand from passengers for further improvement. Given that 92.6% will be very expensive to achieve (£400 million according to Network Rail in order to reduce its own delays by 35%), we wonder whether the costs of reaching that target outweigh the benefits, and whether the resources could be better spent elsewhere. The same principle would apply against a 30-year horizon.
5. How the railways can cater for a more diverse, affluent and demanding population

5.1 One of the ways in which the railways can meet the Government’s aim of doubling passenger use is to increase ridership outside the traditional morning and evening Monday-Friday peak periods.

5.2 The White Paper recognises the growth of the 24-hour society, but the railway can contribute towards this as well as responding to it. For example, we will need to become smarter and more efficient in our choices of when to carry out engineering work, recognising that deterring passengers from making return journeys on Sundays will also discourage them from making outward journeys on Friday afternoons—forcing many to use the car instead.

5.3 The most important contribution that TOCs and their owning groups can make is to develop the railway product so that it is something our customers, their families and their friends will want to buy. This involves creating flexible, comprehensible, affordable fares, backed-up by levels of customer service hitherto unseen in the UK rail industry. For NXEC, we are committed to:

- a new ticketing system that matches demand to capacity and offers customers a simplified fares structure, giving them the best possible value;
- free WiFi service throughout the whole train, not just first class;
- from March 2009, a state-of-the-art website providing a “one-stop shop” for entire journeys where specific seats can be reserved online and information on how to reserve car parking and book onward travel is available;
- for the first time an offer to customers, who have pre-booked tickets and have a seat reservation, to provide a refund for the fare for the journey if a seat is not available;
- mobile phone real-time travel information;
- car parking by mobile phone, using a system which will remember payment details and car registration;
- print at home tickets and m-tickets via mobile phone;
- an updated catering offer combining the best of traditional service with contemporary food which will be available to first class and all standard class passengers through an at-seat service; and
- the introduction of Smartcard technology to make buying tickets much simpler.

6. How the railways can reduce their own carbon footprint and improve their broader environmental performance

6.1 The railway is ideally placed to become one of the modes of choice for the traveller concerned about his or her carbon footprint. But we cannot take anything for granted, as car and aircraft manufacturers are working hard to close the gap. We are working with our industry partners—and leading the work in some fields—to make the train an even cleaner form of travel.

6.2 We have developed comprehensive plans for improving the efficiency of our trains through engineering and operational measures such as:

- introducing regenerative braking on electric trains where recovered energy is used by other trains; and
- driver training in energy efficiency.

6.3 One of the key findings from the Rail Sustainable Development Group was the need to develop a comprehensive future power strategy for rail. This strategy would:

- address the case for electrification—both new and infill; and
- develop a roadmap for investigating the potential of fuel cell technology instead of conventional diesel trains—research by the RSSB and Rail Research UK shows this technology is promising.

6.4 We have decided not to join the headlong rush towards the introduction of biofuels in our train, coach or bus fleets. This is because we are not yet convinced that the accreditation systems are in place to ensure that biofuels are sourced from sustainable plantations. Over the next few years—and certainly against a 30-year horizon—we would expect UK-produced and refined second generation biofuels from verifiable and certificated suppliers to become widely used in the rail industry.

6.5 Our preference, however, would be for most diesel trains to disappear as a result of a national decision to invest in the long-delayed wholesale electrification of our rail network. As primary energy production becomes less carbon intensive—through investment in clean coal, wind, wave or nuclear power—the environmental gains can be transferred instantaneously to the transport sector through electrified railways. The White Paper lacks vision on this issue.

6.6 The White Paper refers to the lifespan of rail vehicles as typically being 30 years, describing the difficulty of future-proofing vehicles on such issues as emissions, where the pace of technological progress is very rapid. Our very strong belief is that, in specifying new vehicles, the DfT and TOCs should aim to produce modern, versatile trains, with the lowest possible carbon footprint through lighter weights, improved motors and the use of energy storage systems.
6.7 We are studying aspects of the Japanese approach to new train procurement: “half the weight, half the life, half the cost”. This approach enables successive new generations of trains to capture technological progress, especially in fuel efficiency. Thus, by 2037, the lifespan of a train might typically be 15 rather than 30 years. Our view is that, with immediate effect, this approach should be adopted by the DfT. Without such an approach, new trains will become uneconomic and possibly even more environmentally damaging than the car in a decade from now.

6.8 Whilst the focus is on climate change it is essential to take a balanced view of environmental performance. For example we have decided not to proceed with any additional trials that would exceed the likely future regulatory limits for biofuels until concerns about their sustainability and social impacts are addressed. Other key challenges for the industry relate to the need to address local air quality and noise, and these must not be forgotten.

6.9 In the shorter term, we envisage NXEC being the most environmentally ambitious TOC so far. Our plans include a reduction in fuel consumption per passenger kilometre by 28% over the franchise term, and a focus on environmental initiatives at depots, stations and offices to conserve more, recycle more and waste less.

6.10 Earlier this month NX signed a contract for renewable energy with E.ON UK. The contract—which is the first of its scale in the transport sector—is part of our commitment to becoming a low carbon business. The electricity will be used across our 300 sites, including stations, maintenance facilities and offices. It will also provide electricity for the Midland Metro in the West Midlands, resulting in the line becoming the first light rail system in the UK effectively to be emission free.

7. Conclusion

7.1 The railways have an opportunity unprecedented in modern times to make a major, long-term contribution to the economic wellbeing of the UK, and to reducing the environmental impact of travel. It is very welcome that the Government has chosen to set out a vision for the growth and modernisation of the industry for 30 years ahead.

7.2 Nevertheless, recent British history is littered with examples of industries where complacency, bureaucracy and a failure to innovate led to great hopes for the future failing to materialise. Just like any other service industry, the railways must place the customer at the heart of all investment decisions and technological innovations. Even in a carbon-constrained future, customers will have access to other progressively less environmentally-damaging transport modes. For the railways to fulfil their potential, customers must choose the train because it is the safest, cleanest, most cost-effective means of travel, offering reliability and high quality customer service. Plans for the next 30-year must place that vision at the heart of all the strategies which are adopted.

October 2007

Memorandum from the Rail Safety and Standards Board (RWP 50)

Executive Summary

This evidence concentrates on issues raised in the White Paper with which RSSB has a direct involvement: environmental performance, technical strategy and safety. It aims to show that RSSB is already working on behalf of the industry in ways that support the Government’s aspirations.

There are a number of specific concerns about the approach to environmental performance, particularly the need to balance objectives that could potentially conflict, for example the inclusion of rail traction energy in cap and trade carbon emission trading schemes.

The role of the industry’s rail technical strategy in harnessing existing and future technology to further improve the environmental advantages of rail.

The importance of maintaining Department for Transport funding for the industry’s research and development programme is emphasised. The programme underpins much of the work that will help toward achieving the aims of the White Paper.

RSSB supports much of the work that the industry believes will achieve the safety requirements set out in the White Paper. These steps are based on planned investments, taking reasonably practicable steps to improve safety together and cooperative safety planning across the industry.
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INTRODUCTION

1. This evidence is RSSB’s response to the House of Commons Transport Select Committee’s call for evidence for its inquiry into the Government’s White Paper Delivering a Sustainable Railway.

2. RSSB is a not-for-profit company owned by major rail industry stakeholders. Its purpose is to help the industry to achieve continuous improvement in safety, performance and efficiency.

3. Recent examples of initiatives led by RSSB include change in rules and operations to reduce the noise nuisance from train horns whilst maintaining safety at footpath crossings, and research into seat belts, windows and the industry approach to escape from passenger trains, which will improve passengers’ chances of surviving in the very rare event of a major accident.

4. This evidence concentrates on the issues raised in the white paper with which RSSB has a direct involvement. These are primarily in the areas of the industry’s environmental performance, technical strategy and safety.

5. RSSB manages the Sustainable Rail Programme on behalf of the industry. This will drive forward improvements in the sustainability performance of rail for which a framework has already been established.

SUSTAINABILITY

6. The principle of simplification and continued regulation of specific fares aids the delivery a more accessible, affordable and socially inclusive railway.

7. Reliability is key to running a sustainable railway. The White Paper recognises the need for improved reliability both for the economic needs of the industry and the social impact it has on its passengers.

8. Increasing capacity is clearly one of the biggest challenges facing Government and the industry. The White Paper recognises the need to make the best use out of what is already available and has developed positive long-term themes for change.

9. The Government aims to stabilise or reduce on-train capacity issues on routes with high load factors. Spreading of demand needs to be tackled in an affordable, inclusive and sustainable way, particularly when looking for short term fixes (ie not pricing off demand). A more intelligent system for collating train load data, as outlined in the documentation, is welcomed.

10. There are a range of views concerning the benefits of high speed rail; this is a complex issue that needs to be carefully thought through. The White Paper recognises that journey time is a key factor in moving passengers from air to rail and mentions the success of Eurostar, but earlier in the document, there is a debate surrounding the argument as to whether high-speed rail is the ‘green option’ and discusses high speed within the UK in negative terms. This is perhaps because the carbon emissions for high speed (300kph) trains are greater than the emissions for traditional high speed trains that run at 225kph. RSSB has recently published a research report that discusses the merits of different types of traction in relation to carbon, which is available at: www.rssb.co.uk/Proj—popup.asp?TNumber=61&Parent=876&Ord=

11. The Government aims for improving environmental performance are widely welcomed. However, it is essential to ensure that there is a balance between objectives which could potentially conflict. These issues need to be addressed and resolved by the industry working with the Department for Transport.

12. The points raised with regard to framing an environmental strategy are supported. This is further supported by the RSSB’s firm commitment to facilitating the development of the industry’s sustainable development strategy and indicators.

13. There are concerns about the inclusion of rail traction energy in cap and trade carbon emission trading schemes (EU and UK schemes). In discussion with DEFRA, the industry has put forward alternative proposals which are suggested so as not to disadvantage Rail compared to other modes of transport. These are based on a voluntary cross-industry carbon reduction framework with a supporting baseline model and trajectories.

14. There is a need for greater cross-departmental working to ensure that Government does not give out conflicting messages, particularly in terms of environmental targets and also to ensure that the different modes of transport are treated in a rational and equitable manner. For this reason we support the development of intermodal and integrated policy and planning models.

15. There are some barriers to the smooth delivery of the targets set in the White Paper. These barriers include the need to change and update franchise agreements, and landlord/tenant relationships.

16. Continued research into sustainable solutions for the industry is essential, and is a key element of the industry’s research and development programme. RSSB has recently published the industry’s first substantial review of the issues around sustainability that face the industry The Case for Rail, which is available on the RSSB web site; hard copies can be made available to the Committee if required.
TECHNICAL STRATEGY

17. To accompany the White Paper, the Government also published a Technical Strategy, which set out many of the technical issues that need to be addressed to support the delivery of the vision in the White Paper. The Technical Strategy has been passed to the industry with a challenge to oversee its development and implementation; RSSB was asked to facilitate a group that would fulfil that role—known as the Technical Strategy Advisory Group.

18. RSSB facilitates the Technical Strategy Advisory Group which includes senior representatives from the Department for Transport, Network Rail, passenger and freight operators, suppliers, RSSB, the Office of Rail Regulation and academia. The group’s role is to oversee the Rail Technical Strategy which aims to harness existing and future technology to improve the environmental advantage of rail as a mode of transport and its attractiveness to passengers and freight customers. It will also oversee and procure strategic research in support of these goals.

19. In addition a set of System Interface Committees (SICs), which are facilitated by RSSB, provide an oversight and steer to the development of improvements across the key railway interfaces. This is important because the improvement of business performance in the industry often involves more than one player. The groups that RSSB facilitate are all examples of how the industry cooperates to achieve solutions in a multi-player environment.

20. The work of all the cross industry groups facilitated by RSSB is in turn supported by the industry’s research and development programme, which is funded by the Department of Transport and managed by RSSB.

21. The scope of the research and development programme is agreed by the RSSB board, and covers industry-wide and strategic research, such as interface issues, system issues and other issues that cannot be resolved by one party alone. The aims of the programme are to improve performance in safety, health, reliability and punctuality, and to reduce costs—thus delivering benefits across the industry.

22. The Government is currently reviewing the overall approach to research in the rail industry and the means by which it is funded. RSSB is supporting this review and has made several suggestions and proposals for how research can better support the achievement of the government’s vision for railways going forward. In order to deliver this it is important that funding for research and development is at least maintained and provided for over a sustained and predictable period.

SAFETY

23. Article 4 of the 2000 European Railway Safety Directive (2004/49/EC) states that: “Member states shall ensure that railway safety is generally maintained and, where reasonably practicable, continuously improved, taking into consideration the development of Community legislation and technical and scientific progress and giving priority to the prevention of serious accidents.” The Great Britain rail industry believes that by continuing to use safety management systems and by taking reasonably practicable steps to improve safety together with effective safety planning, the safety requirements set out in the white paper will be met.

24. RSSB supports the industry in this work by:
   — collating, analysing and reporting on key safety data;
   — maintaining and developing the industry safety risk model;
   — maintenance of a safety event database;
   — management of a research and development programme;
   — facilitation of a series of national programmes;
   — facilitation of industry safety planning, including publication of the Strategic Safety Plan;
   — management and development of the industry standards; and
   — facilitating the effective representation of GB views in the development of European standards and safety measures.

RECOMMENDATIONS

25. RSSB invites the Committee to note:
   (a) The significance of finding the balance between economy, society and the environment in developing the sustainability of rail.
   (b) The close link between the proposals in the White Paper and the industry’s The Case for Rail published by RSSB earlier in 2007.
   (c) The role of the technical strategy in harnessing technology to improve rail’s environmental advantage and its attractiveness as a mode of transport.
   (d) The essential underpinning role of the industry’s research and development programme and the importance of maintaining Government funding for it over the long term.
(e) The role of RSSB in facilitating the development and resolution of a number of key interface issues, together with the development and implementation of the technical strategy.

26. RSSB would be happy to present evidence in person if the committee so wishes.

October 2007

Memorandum from the Confederation of British Industry (CBI) (RWP 51)

INTRODUCTION

1. The CBI is the UK’s leading business organisation, speaking from some 240,000 businesses that together employ around a third of the private sector workforce. Member companies which influence all policy positions include 80 of the FTSE 100, some 200,000 small and medium-sized firms; more than 20,000 manufacturers and over 150 sectoral associations. No other UK organisation represents as many major employers, small and medium-sized firms or companies in the manufacturing or service sectors.

2. Transport is essential to the UK’s prospects for competing in an expanding global economy and is regularly cited by our members as being a key issue for business. Rail is particularly important for the movement of people and goods; providing links to international gateways, facilitating access to labour markets, offering wider labour mobility and supporting regeneration and agglomeration.

3. Capacity constraints, worsening congestion and growing levels of demand have begun to threaten the ability of the rail network to deliver the level of service required by the business community. The legislative requirements for the High Level Output Specification (HLOS) and enthusiasm within government to produce a long term strategy for the rail network were therefore perceived as an opportunity for critical problems to be addressed and for government to set out its view of the role of the rail network into the next thirty years.

4. The CBI outlined its priorities for the rail network to government in January 2007. Our three key targets were meeting the capacity challenge, maintaining a high level of reliability and keeping the railways safe. Tackling these three issues can produce a rail network that supports GDP maximisation, minimises disruption and costs to business and fosters a sense of trustworthiness in a mode with a troubled history. In addition to the headline targets, the CBI urged consideration of a long-term vision that will allow effective business planning, providing value for money and enhanced quality along with a reduction in the environmental impact of the railway.

5. In terms of funding, the CBI had estimated in 2005 that total public and private investment in transport over a decade of at least £300 billion in cash terms was needed to bring the UK’s system up to a reasonable standard. Rail accounted for approximately £85 billion of that total. In terms of the specific HLOS period, the CBI suggested that the SoFA should enable increased investment over CP4 of at least 25%.

OVERALL VIEW OF THE RAIL WHITE PAPER

6. In general terms, the CBI had a fairly positive reaction to Delivering a Sustainable Railway. Whilst members have agreed that the white paper went no further than was expected and is lacking in the sort of ambition really required by a long term strategy, there were enough measures proposed to offer business a boost to much-needed capacity. Of particular significance was the inclusion of three major infrastructure projects for which the CBI has lobbied: Thameslink; Reading Station; and Birmingham New Street.

7. The CBI welcomed the findings from the Eddington Transport Study and was therefore pleased to note that the rail white paper made an attempt to acknowledge and enable some of the key recommendations. The rail network has a major role to play in all three of Eddington’s key transport markets and can make a significant contribution to economic performance. Further to this, with increasing focus on the environmental impacts of transport, we welcome the commitment in the white paper to reduce the environmental impact of the railway. Finally, we welcomed the continuing commitment to safety, for both passengers and railway employees, as a key objective.

RELIABILITY

8. Reliability is absolutely essential to business travel, be it people or goods. Just in time distribution needs a reliable network and businesses across all sectors need to know that their staff will be able to arrive on time without having endured an unnecessarily stressful journey.

9. The CBI was eager for the government to commit to a Public Performance Measure (PPM) level of at least 90% for the next control period to prevent any increase in the £400 million per year that Eddington suggests is the cost of unreliability to business, to reduce the detrimental impact on business of workers arriving late and to support supply chains. The target in the white paper for a PPM level of 92.6% by 2014 is therefore enormously welcome to the business community.
10. The additional targets for a 25% reduction in the proportion of services 30 minutes late or cancelled, and the associated recognition that it is these problems that cause the most damage to the economy, is also good news for the business community. This target does however represent a significant challenge to both Network Rail and Train Operators, both of whom have a role to play in achieving the objective.

CAPACITY

11. Increased demand for travel, from both passenger and freight movements, requires an enhanced rail network. For business, increased capacity is required in urban catchments, inter-urban corridors and key international gateways in order to support continued economic growth and GDP maximisation. To this end, the CBI was looking for a mixture of short-term measures and a significant programme to grow the network in the white paper in order to address the capacity challenge.

12. In terms of the commitments for the HLOS period, the CBI was generally satisfied. Measures to improve existing capacity through platform and train lengthening, in addition to the three major projects, should bring about significant improvements to the levels of overcrowding and delays resulting from capacity constraints—particularly in the South East where these problems are more severe.

13. There is, however, a general feeling of disappointment among CBI members concerning the long term aspirations set out in the white paper. Whilst the white paper does contain a number of individual proposals such as plans to introduce the InterCity Express Train fleet and development of cab-based signalling, it lacks any real long term vision. This is a problem for business in terms of planning for future expansion where infrastructure availability is a key concern in determining suitable locations. A commitment to, for example, a high speed line between Scotland and London would have major implications for future investment decisions. The white paper, as it stands, is really only helpful to business planning for the next five years.

14. A further area of concern for the CBI is that the modelling underpinning the white paper has taken little account of the potential impact of other policies that could affect demand for rail, for example the introduction of either local or national road pricing. Clearly, policies such as these would have a fundamental effect on demand for rail services. The CBI believes that road pricing may have a role to play as a means to tackle congestion but a key caveat is that there is investment in alternative modes of transport in advance of the introduction of any scheme. Whilst we accept that firm conclusions would be nearly impossible to reach given the current status of the road pricing agenda, that the white paper gives no account to road pricing not only gives mixed messages about government thinking on road pricing but also puts at risk business support for any such schemes.

FREIGHT

15. The demand for rail freight services is growing as business continually looks for alternatives to the congested road network and government promotes its objective for modal shift. The announcement in the white paper of the creation of a Strategic Freight Network was therefore particularly welcome to business.

16. On a more cautionary note, the £200 million funding currently allocated to the Strategic Freight Network is certainly only enough to begin work to tackle some of the key freight pinch points. Businesses with freight interests are extremely keen to see this as the start of a process that will develop into a meaningful, funded programme of works. It is also essential that there is correlation between work on the Strategic Freight Network, freight schemes funded through the Transport Innovation Fund and those schemes being pursued by the private sector.

DELIVERY

17. The key to building and maintaining business confidence in the railway lies in delivery. The key message from the CBI to government in terms of this white paper is that efficient and timely delivery is essential and that for many of the proposals, there should be no need to wait until the beginning of the next Control Period, for example, the procurement process for the provision of 1,300 additional carriages.

CONCLUSION

18. In summary, the CBI believes that the government’s Rail White Paper has the potential to make a significant impact on the rail network over the next five years. It fails, however, to inspire business confidence in the long-term future of our railways.

19. It is essential now for the government to undertake two specific actions: The first is to ensure that their proposals, both the major schemes and incremental changes, are delivered in a timely and cost effective manner; the second is to start to consider the railway over the next 30 years, particularly in view of government plans to deliver the policy approach recommended by Eddington, specifically the new infrastructure that will be required beyond 2015/16 and the challenges posed by road pricing, climate change and a changing economy.

October 2007
Memorandum from Stephen Harrison (RWP 52)

I wish to submit the following individual response to the Transport Select Committee to assist you with your above investigation. For your reference, I include also my responses to two related consultations which took place last year.

I have not read the Department’s latest report in detail; there seems little point in doing so. Having scoured numerous documents from the same people, it’s evident that all the self-congratulating hype serves only to cover up some of the most botched planning imaginable.

In 2003, the city of Liverpool lost all of its direct CrossCountry rail services; the decision having been imposed on Virgin by the Government’s short-lived Strategic Rail Authority. Ostensibly with the aim of “improving overall reliability”, it instead deprived one of the largest cities in the country from direct train services to the South Coast, the WestCountry, Wales and Scotland. We still have not one single service to these locations.

And, while the recent remapping of Central Trains provided the perfect opportunity to rectify this anomaly, the Department took the decision instead to stuff 119 direct, 125mph trains a day through Manchester’s already overcrowded network, whilst prohibiting a single one from reaching Liverpool, expecting instead for Merseyside to subsist on a half-hourly 100mph commuter service which goes no further than Birmingham.

Making matters worse, in its consultation assessment, the Department commented:

“The consultation document proposed the introduction of an hourly Birmingham—Manchester semi-fast service. As a result of difficulty in identifying satisfactory paths to operate this service, it is now not possible to specify it in the West Midlands franchise.”

Stakeholder Briefing Document, West Midlands franchise

Yet such paths could have been found had the Department bothered to balance the schedules correctly, allowing for a fair distribution of trains between Liverpool and Manchester. I seems, however, that all the Rail Minister and his officials can deliver is the timetable to suit their own expediency, rather than benefit the passengers.

In less than three months time, Liverpool will become the European “Capital of Culture”. Yet far from being open to European tourists, people from most British cities will not be able to reach us by rail. How is that supposed to encourage tourism in this vital, make-or-break year for the city? How can the city grow in the long term when the DfT refuses to allow the services deserved?

After all the attacks that were made on rail privatisation, there are two striking ironies to this situation: firstly, that all of Liverpool’s CrossCountry trains survived the Conservative Government’s botched sell-off, only to be taken away by the present Government’s poor management; and, secondly, it now falls to a private firm, Glasgow Trains, to propose rectification. And if a private company can mount a serious bid to run open access trains, without subsidy, overcoming the high barriers of entry into the industry, as well as the large economies of scale, there surely must be a compelling business case for these trains to exist? Why, then, is this Government so insistent that Liverpool connections must not be guaranteed as part of any franchise?

This Government’s rail policy is an absolute insult to the city of Liverpool. For too many people in this administration, the North West means Manchester. Admittedly, the situation is not helped by a batch of servile Merseyside MPs. Their lack of understanding can be highlighted by one EDM (1891 2006–07), which not only fails to attack the Government sufficiently, but also calls for even more of the sub-standard trains we now have to endure. Extra services on this line are useless, unless they will travel beyond the West Midlands.

Similarly, the Committee’s own activities are to be questioned. In your Passenger Rail Franchising report (14th in 2005–06), you failed once to mention Liverpool’s removal from CrossCountry. Worse, you questioned why cities like Cambridge (less than 4 of the population) were not so connected. In one sentence you criticised Cardiff’s lack of a train service to Liverpool (though interestingly not Liverpool’s lack of services to Cardiff). You even had the audacity to blame these cuts on the Welsh assembly when you know full well that it was Government policy which saw them axed.

Before Operation Princess precipitated this disastrous situation, Liverpool did have direct connections; admittedly not very many, but at least direct routes were possible.

Travel times from Liverpool to many other major cities by rail now far exceed those in the days of British Rail (with the added bonus of having to drag luggage on and off trains and then having feet frozen to the platform at Stafford or Crewe).

And unless this Committee is resolute enough to take decisive action, Liverpool can look forward to 30 more years of isolation.
Transport Committee: Evidence

SUMMARY

Liverpool is about to enter its year as European Capital of Culture, a tourist magnet, without direct rail connections to many other leading British cities.

Liverpool’s isolation from CrossCountry should be investigated as part of your inquiry.

The Committee should call on the Government to restore CrossCountry to Liverpool without delay, using its powers to amend franchises under the Railways Act 1993.

APPENDICES (These are not printed)

My response to West Coast Main Line Progress Report.

My response to New CrossCountry Franchise.

Link to EDM (1891 2006/07):

October 2007

Memorandum from Railfuture (RWP 53)

1. Railfuture’s response to the House of Commons Transport Committee’s Press Notice dated 2 August 2007 is presented below addressing the four headings of: themes; long-term development for a sustainable railway; paying for it all; and governance.

THEMES

2. Overall, Railfuture finds the White Paper Delivering a Sustainable Railway fairly encouraging as an indicator to the immediate future of the railways in Britain. The commitment not to close any rural or regional routes “in this plan period”, and to continue support for community railways is welcome, as far as it goes. However, in spite of widespread support for a number of schemes such as Cambridge—Oxford, Colne—Skipton, and Lewes—Uckfield, the White Paper does not foresee the reopening of previously closed lines. A number of previously closed rail routes, such as that between Cambridge and Oxford, would be able to connect areas earmarked by Government for housing development and growth. Such schemes would help to increase rail’s capacity by offering additional and alternative routes for both passenger and freight traffic. They would also help to underpin Government policy in other related areas such as the relief of traffic congestion and promoting a cleaner environment.

3. Railfuture is particularly concerned that the White Paper appears to effectively rule out the safeguarding of disused rail alignments. Disused alignments offer options for the future to increase rail’s capacity and effectiveness. Ruling out the possibility of safeguarding these alignments seems to Railfuture to be symptomatic of Government’s failure to consider the longer term aspects of policy implementation. The proposal is justified on the grounds that safeguarded alignments would blight homes and property. However, Railfuture would argue that the same homes and property would be blighted by not offering the possibility in the future of reinstating disused alignments. Railfuture does not advocate a “blanket approach” to safeguarding alignments, but rather a more considered one in which each alignment is considered on its merits as a contributor to the overall railway network locally, regionally, and nationally. Thus, Railfuture would seek safeguarding of the more viable and widely supported restoration proposals until such time as funding is available to progress them.

4. The White Paper contains some welcome commitments to deal with longstanding “pinch” points in the network at places such as Birmingham and Reading. The proposed Birmingham scheme will improve conditions for passengers quite significantly, but it will not effectively address the shortage of rail capacity in the area in the mid- to long-term. Railfuture believes there is a number of other locations in the network where the infrastructure in currently inadequate. The White Paper does not mention difficult areas such as the approaches to Manchester Piccadilly. In the London and Home Counties area, the long-delayed Thameslink project has cleared a further hurdle, and its completion, still probably a at least a decade away, is seen as an essential project to clearing the notorious bottleneck of Borough Market Junction on the approaches to London’s Cannon Street and Charing Cross stations. Railfuture welcomes the Government’s recent announcement to go ahead with the also long-delayed Crossrail project: but it also notes the concerns of the Railfreight Group and others that this could be at the expense of freight access to the Great Western and Great Eastern main lines.

5. Whilst the Government’s commitment to 1,300 new coaches has been widely acclaimed, Railfuture considers that the implications for platform lengthening, crowd control, and improving power supplies do not seem to have been thought through. Further, the proposals for 26 metre long InterCity coaches have serious implications for Britain’s restricted loading gauge. There may be health and safety implications
arising from realigning tracks and platforms for all trains serving major stations with significant curvature. Railfuture would cite Bristol Temple Meads, Newcastle, and York among others as examples of stations with significant curvature.

LONG-TERM DEVELOPMENT—A SUSTAINABLE RAILWAY

6. The White Paper pays lip-service to sustainability as an objective, but displays no understanding whatever of the implications for policy towards the railways. This is most evident in the discussion of further electrification. Rather than address the need to start some serious planning for a future of scarcer, less secure, and more expensive oil supplies, the White Paper notes that electrification is expensive. Railfuture does not accept that electrification may be expensive in the short-term: but there are significant long-term economies to be obtained through better network operation, better train performance (thus contributing to improved capacity), reduced wasteful working of diesel powered trains “under the wire”, improved reliability and longer life-expectancy of motive power, retention of trained and experienced teams of electrification engineers; and reduced spread of exhaust emissions close to railway lines. Railfuture notes that whilst Government in the United Kingdom is reluctant to support the implementation of electrification schemes, many of our European Union neighbour governments appear to have no such reluctance. Indeed, there appears to be some sort of rolling programme for electrification in these countries. Railfuture does not think that electrification should be at the expense of other measures to increase capacity. Because of its better performance, electrification should be seen as contributing to improved capacity utilisation. Railfuture is concerned that the White Paper dismisses high-speed rail as a green transport option “on the basis of the present electricity generation mix”, but notes that “if the carbon footprint of electricity generation reduces . . . the case would look very different”. Precisely! Railfuture considers that it would be better to restart electrification now in order to have a sustainable network ready as renewable energy generation becomes more widespread, instead of waiting until the oil runs out before deciding that electrification would be a good idea after all.

7. Railfuture notes the possibility of new technologies being used to power trains in the future, but is concerned that instead of treating these as an additional element of flexibility, they are being used as an excuse to defer electrification. There may well be a role in the long-term for bio-fuel, fuel cell and hybrid traction in the future: however, all of these are unproven technologies whereas electric power is proven and available now. Hybrid traction may have its uses in the near future as a stopgap and a way of avoiding the high capital commitment of simultaneous investment in both infrastructure and rolling stock, just as the White Paper notes that advanced investment in resignalling reduces the capital cost of electrification later on. Railfuture does not think that bio-fuel or fuel cell will significantly alter the equation.

8. The White Paper is disappointing in its discussion on high-speed rail. There appears to be no commitment to take this issue seriously. The White Paper notes that “new lines would have to be appraised against other measures such as road widening”, and that “rail and air together already meet the business traveller’s needs”. This is a complacent statement. It demonstrates once again that the sustainability message has not been understood. It also demonstrates the inability to grasp that one of the main purposes of a high-speed railway is to reduce business people’s reliance on air as a means of rapid transit. One has only to look at the impact of France’s TGV network on internal air services, for example. Rather perversely, the White Paper seems to be more concerned about the impact on the environment of high-speed rail lines than of aviation or motorways. It does, however, reach sensible conclusions on two points: that the case for new lines will rest on increasing rail capacity to accommodate growth rather than high speed per se, and that Maglev is unlikely to be the right answer for Britain.

9. The White Paper shows confused thinking on the idea of new rail routes. It asserts that “most freight trains run in the off-peak, when passenger capacity is less constrained”. This is true, but confuses cause and effect. It is precisely because capacity is at a premium during the peak that new freight routes would be likely to take some passenger traffic especially at these times. The White Paper does, however, concede that neither freight nor passenger traffic should expand at the expense of the other, and that rail freight needs a core network capable of handling longer and heavier freight trains within a larger loading gauge. Most outrageously, however, the White Paper suggests that rail freight access charges will have to rise to repay the investment in rail freight infrastructure improvements. By contrast, road over rail bridges are to be strengthened for heavier lorries with funding coming from local authority and rail budgets with no requirement for road hauliers to pay higher road taxes to pay for it.

PAYING FOR IT ALL

10. The confused thinking on the last point is reflected in the attitude to fare increases to pay for improvements for passengers. As users Railfuture members are naturally concerned that this will hit the passenger in the pocket. The idea that rail customers should pay for investment through higher fares comes at a time when airlines have rejected a similar notion for recovering investment in new aircraft, air traffic control, and airports through higher fares. Railfuture knows of no other industry or sector in which it is normal to expect the customer to pay for investment through higher charges. More seriously, we are concerned that this demonstrates that pricing off surplus demand is official policy at a time when Government should be encouraging people to transfer from road and air transport to rail. Railfuture notes
that whilst “predict and provide” remains a dominant criterion for investment in road and aviation infrastructure, in spite of the greater environmental impact of these modes, no attempt seems to have been made to apply such a policy to the railway system. This demonstrates unfair treatment of the railways in government transport policy thinking. The simplistic view that non-rail users should not subsidise well-off rail users disregards the environmental impact of modal choice, which ought to be reflected in rail fare pricing. Cross-subsidy by non-users is a principle that has been long established and accepted in other public service areas such as health care, education and, indeed, passenger public transport. Railfuture fears that the Government regards the railways as a luxury to be paid for by users rather than an essential service. The notion that the passenger railway is the preserve of the better off is not borne out by research that has concluded that rail users represent a typical cross-section of social groups. Indeed, if they were all better off, the risk is likely to be greater that they would have easier access to motor cars and revert to them as rail fares rise. Railfuture has long concluded that the franchising process was driving fare increases. The White Paper and the latest round of franchise awards seem to make this official policy—a poll-tax on flanged wheels.

11. The White Paper does, however, promise a simpler fares structure, and this is to be welcomed. The support for the development of zonal fares systems in conurbations outside London is also welcome, as is the proposed curbing of abuse by some train operating companies (TOCs) of the penalty fares system. As a corollary to this, Government must ensure that TOCs make much greater effort as part of their franchise conditions to collect all existing fares, especially in areas where “pay trains” operate and ticket inspection can be very lax, before proposing to increase fares further. It is with mixed feelings, however, that Railfuture notes the intention to load steeper fare rises onto longer distance commuters. This may restore some equity among passenger groups since some commuters enjoy substantial discounts whilst at the same time are being most costly to serve. Such a policy does risk increasing peak hour travel by car and consequent road congestion in the cities, and undermine rail’s key role in catering for commuting flows. Railfuture fears that the already large gap between regulated and unregulated fares will widen still further, adding to the range of confusing anomalies in the fares structure that already exist. This reinforces the view taken by Railfuture that it is the “open” fares that should have been regulated ab initio on privatisation (Railfuture’s response to the House of Commons Transport Committee’s inquiry into fares: How fair are the fares? September 2005).

Governance Issues

12. Railfuture is concerned that the White Paper reflects a confused attitude on the part of Government towards the role and involvement of Passenger Transport Authorities and Executives (PTAs) in passenger transport provision in their areas. On the one hand, the Department for Transport say they want PTAs to have more influence over the design of franchise specifications, whilst on the other they are determined that they do not want PTAs to be signatories to franchises. This is inconsistent. To add to this, however, the Local Government Bill sees the role and involvement of PTAs expanding. This can only suggest a lack of “joined-up” thinking in Government and government policy-making. Railfuture would like to place on record its tribute to the work of PTAs over the past 30 to 40 years, especially in the field of public transport integration, and would strongly support the extension of the PTA idea nationwide, perhaps on the basis of county or regional authorities. The need for an integrated approach is at least as great in rural areas as it is in conurbations. An integrated approach to transport planning and provision is still lacking in British transport policy.

October 2007

Memorandum from Freight on Rail (RWP 54)

Comments on Rail Strategy in Relation to Rail Freight

Freight on Rail is pleased to respond to Rail Strategy Inquiry

Definition of Freight on Rail

Freight on Rail is a campaign working to get goods off roads and onto rail as an important step in developing a more sustainable distribution system.

Freight on Rail is a partnership between transport trades unions, rail freight industry and Campaign for Better Transport. It works to promote the economic, social and environmental benefits of rail freight both nationally and locally. It advocates policy changes that support the shift to rail and provides information and help on freight related issues to local and regional authorities.

The members are as follows:—Rail Freight Group, EWS, Freightliner, RMT, ASLEF, TSSA, UNITE—AMICUS Section and Campaign for Better Transport.
COMMENTS ON RAIL STRATEGY

Freight on Rail welcomes the Government’s strong support for rail freight and recognition that the network should be able to deliver double today’s freight volumes over the next thirty years. The strong backing for rail freight in the Rail Strategy is important as it means that the industry has the confidence to make long term investments in rail freight.

1. Strategic Freight Network

The commitment to the SFN recognises the economic, environmental and social benefits of rail freight.

The funding commitment of £200 million for development of the network during control Period 4 2010–14 is most welcome and will enable the development of the SFN to start building a robust network, providing gauge and capacity enhancements, including diversionary routes, to cater for the forecast growth in volumes.

FoR members will work with Government to ensure that the industry makes the best use of the money to provide projects where rail freight can deliver.

We will be making the case for government to continue its support and funding for the SFN after 2014.

Network Rail produced the Freight Route Utilization Strategy in March 2007 which outlined in detail the schemes it deemed necessary for rail freight to play its full role in servicing the economy and reducing carbon emissions from freight distribution.

The recent reports by Sir Rod Eddington, Sir Nicolas Stern and the Intergovernmental Panel on Climate Change highlighted the importance of low carbon transport options such as rail freight.

The Rail Freight Operators’ Association has devised a series of additional schemes known as the Super 16. These increase the capacity and capability of the national rail network, allow an increase in freight services and help productivity. In addition they will help the environment by allowing more freight to be captured by rail and provide better connection to the UK’s international gateways.

CHANNEL TUNNEL ROUTES—GAUGE ENHANCEMENT TO W12 AND FULL EUROPEAN GAUGE

FELIXSTOWE TO NUNEATON—CAPACITY* which is even more vital now with the announcement that Crossrail will go ahead because Crossrail, as currently planned, will take away capacity for freight from both the Great Western and Great Eastern mainlines.

SOUTHAMPTON TO WCML—CAPACITY

SOUTHAMPTON TO WCML—DIVERSIONARY CAPACITY AND GAUGE

SOUTH HUMBERSIDE MAIN LINE—CAPACITY AND FLEXIBILITY

TRANSPELLINE ROUTES AND NEWCASTLE TO CARLISLE—GAUGE

FELIXSTOWE AND SOUTHAMPTON—TRAIN LENGTH

OXFORD TO BLETCHLEY—REOPENING TO PROVIDE ADDITIONAL CAPACITY AND DIVERSIONARY CAPABILITY

STOURBRIDGE TO WALSALL—REOPENING

HOPE VALLEY—CAPACITY

There is also an additional list of enhancements needed for Scotland which is on www.freightonrail.org.uk

2. Grants

The Grants regime is a very important mechanism which helps rail freight to play its role in the economy and society as it takes into account the external costs of other more polluting forms of distribution in comparison to rail freight and compensate rail freight accordingly.

Capital grants help offset some of the initial start up costs of the transfer to rail.
3. **Inland links to ports**

   Eddington highlighted the importance of inland links from international gateways. We ask that treatment of different modes should be even handed.

4. **Transport Innovation Funding**

   TIFs is an important funding mechanism for developing key rail freight routes.

   We welcome the announcement in July on funding for the gauge enhancements for the Gospel Oak to Barking line which

   We are awaiting the outcome of four proposed key rail freight schemes:
   
   (a) Gauge enhancement Southampton-West Coast Main Line near Birmingham.
   
   (b) Gauge and capacity enhancements Peterborough-Nuneaton which are even more vital now with the announcement that Crossrail will go ahead because Crossrail, as currently planned, will take away capacity for freight from both the Great Western and Great Eastern mainlines.
   
   (c) Humber ports/Immingham rail capacity enhancements.
   
   (d) Olive Mount chord, including Chat Moss, Liverpool.

   Enhancements at Reading station are important for both passenger and freight services.

   We welcome the commitment to complete the upgrade of the WCML.

   These schemes will allow rail freight growth and are strongly orientated towards the movement of deep sea containers. They will not meet all rail freight enhancements required from the national network such as capacity (as opposed to gauge) from deep sea ports, gauge enhancement for Continental traffic, accommodating longer and heavier trains and relieving congestion in major conurbations.

5. **Long term dimension to the Rail Strategy**

   This element is disappointing as there are no long term plans to enable rail freight to double its volumes.

6. **Integration with other Policies**

   We support the statement in the Strategy that the development of the rail network must be aligned with national and regional spatial and economic planning but would add that the importance of rail freight terminals should not be overlooked.

   Planning White Paper—National Policy statements needed for rail and rail freight.

   Importance of integration between transport and spatial planning.

   Need national policy to support rail freight so that regional and local authorities will make policies which protect and promote rail freight. That is why Freight on Rail believes a national policy statement for rail freight is important to be used by both schemes under IPC and existing Town and Country Planning Act.

   It had been hoped that Regional Planning Assessments for rail would be significant levers for getting planning permission but because rail freight is private sector, the Government has been cautious in recommending a particular location and instead, notes that plans are being discussed for a SRFI at a named location.

   Network of terminals are of national strategic importance to enable more freight to transfer from road to rail.

   Regional element not covered what about cross boundary co-operation between local authorities are existing arrangements for joint planning and decision making suitable for Highways and TWA schemes?

7. **Protection of railway lands**

   Protection of disused alignments for possible rail freight services and diversionary routes is important as outlined in PPG13. Once railway sites and alignments have been lost they have gone for ever and society is now looking at ways of reducing carbon emissions for which the railways have an important role.

   Lack of sites for Strategic Rail Freight Interchanges.

   Rail freight cannot prosper without a network of Strategic Rail Freight interchanges but there is no mention of the importance of terminals in the Rail Strategy.
8. **Regional Government changes**

After the Government announcement that RDAs will take over the responsibilities for all regional strategies it is important that regional spatial strategies are fully integrated into the work of the RDAs. RDAs will need to have policies which in principle promote and protect rail freight and to give direction to local authorities to protect suitable sites for terminals and rail alignments for future possible use.

9. **Partnerships needed to expand the railways**

All the parties such as Network Rail, the local and regional authorities, unions, the TOCs, FOCs, and private sector including developers need to work together to achieve investment in the railways.

10. **Government research into trials of longer heavier lorries (LHVs)**

Government evaluation of longer heavier lorries runs counter to its stated policy to encourage rail freight which would be seriously damaged by the introduction of these vehicles. The introduction of LHVs would result in major modal shift from rail to road leading to more road congestion and carbon emissions as lorries replace trains.

This month Government ministers will receive a report outlining whether the Government should allow trials of longer and heavier lorries (LHVs), ranging from 25.5 to 30.5 metres, 60 to 84 tonnes, on the UK’s roads. The most favoured option, at 25.5 metres long and 60 tonnes, would be 50% longer and over a third heavier than existing 44 tonne lorries.

**LHV with other traffic during German trials shows the scale of vehicle.**

Longer and heavier lorries (LHVs), have serious safety and environmental implications and could seriously damage the prospects for rail freight growth.

We believe that plans to consider the operation of 60 tonne lorries, and any consideration of trials should also be opposed on the following grounds.

(i) Research, undertaken by independent transport consultants MTRU, found that rather than reducing the number of lorries needed, all previous increases in vehicle dimensions did nothing to halt heavier, larger lorries doing more mileage and driving around with ever lower load efficiency. Heavier lorries use more fuel and so the lack of any efficiency improvements has meant more CO₂ emissions as a result. This evidence undermines the Government’s justification for permitting previous increased lorry dimensions and questions the validity of current arguments for LHVs. See Figure 2 page and figure 5 page or total HGV traffic (measured as vehicle kilometres). (See figure 4 page 8 in attached MTRU report—Heavier lorries and their impact on the economy and the environment—MTRU October 2007

Despite several increases in maximum weight and volume, the average payload has fallen instead of rising which means that emissions per tonne carried have increased rather than decreased see figure 2 page 5 and Figure 5 Page 9 in report. The claimed environmental benefits of LHVs rely on very high levels of load utilisation—in excess of that routinely achieved within the haulage sector. Therefore at lower levels of utilisation the environmental performance would be worse. German trials found that utilization below 77% in LHVs used more fuel and therefore more emissions than in HGVs.
(ii) Cheaper HGV travel would encourage more use for a combination of reasons.

It would undermine rail\(^1\) and water freight which have far lower carbon dioxide emissions, better safety record and have the advantage of reducing road congestion.

Detailed examination of rail’s bulk freight flows by EWS in May 2007 found that up to 40% of aggregates currently carried by rail could switch to road and almost 20% of metals traffic. Freightliner research found that the introduction of a “B-double” LHV capable of carrying a 40’ and 20’ box would precipitate the loss of up to 66% of existing rail volumes in the deep-sea container market.

Create extra HGV traffic through longer journeys, for example through more centralised distribution systems.

(iii) Emissions from HGV traffic have grown significantly since 1990, by 25\(^\text{30}\%)\,\text{ using the revised DEFRA assessment. HGV traffic is an important source of greenhouse emissions from transport, second only to cars/vans and to international aviation, (see figure 1 page 3 in attached MTRU report—Heavier lorries and their impact on the economy and the environment—MTRU October 2007.}

(iv) LHV\(s\) have safety dangers due to their size and lack of manoeuvrability.

The impact of these vehicles if they are involved in an accident will be proportionately greater because of their extra weight, with severe implications on braking distances, stability, manoeuvrability at roundabout for example, possible jack-knifing, overtaking and reversing complications. The DfT Focus on Freight Dec 2006 stated that because of their size and weight, when they are involved in accidents the level of injury tends to be higher with HGVs, (this is at the existing weight and length limits); In 2005, HGV\(s\) were twice as likely to be involved in fatal accidents as cars.\(^2\) For example on major non built up single carriage roads a staggering 76 per cent of articulated HGV\(s\) exceeded their 40 mph limit by 6mph on average, with 28 per cent exceeding the limit by more than 10 mph in 2005. Even Bendy buses, which are 18 metres long, cause more than twice as many injuries as any other bus.\(^3\)

(v) Restricting LHV\(s\) to dual-carriageways and motorways simply will not work as there is no mechanism to keep them to this. The reality is that these vehicles will need local access to distribution hubs.

(vi) The poor record of compliance with existing road regulations needs to be factored into any decision on increasing the existing weight and lengths of HGV\(s\). For example on major non built up single carriage roads a staggering 76 per cent of articulated HGV\(s\) exceeded their 40 mph limit by 6mph on average, with 28 per cent exceeding the limit by more than 10 mph in 2005.

See Freight on Rail LHV report April 2007 attached for more details

11. Rail freight success story:

—— 66% growth in tonne kms in past 10 years;
—— Surface market share now 12%;
—— One third of metal products in the UK are delivered by rail;
—— 25% of deep sea containers move by rail; and
—— 80% of London construction stone is supplied by rail;

ENVIRONMENTAL BENEFITS OF RAIL

The report by the Logistics Research Centre of Heriot-Watt University for the Climate Change Working Group of the Commission for Integrated Transport has examined recent emissions data for the domestic freight transport market. In 2004, the best year for analytical results, all modes of domestic freight transport emitted a combined total of 33.7 millions tonnes of CO\(_2\) into the atmosphere. HGV\(s\) accounted for 78.5% of these emissions, while vans contributed 13.3%. This is compared with waterway emissions which accounted for 6.8% and rail freight which contributed just 1.1%. Pipelines accounted for 0.3% and air, as a minor player in this market but with high emission levels, accounted for 0.1%. The report also stated that freight transport is responsible for just over 21% of all CO\(_2\) emissions in the transport sector and roughly 6% of the total CO\(_2\) emissions in the UK. In examining opportunities to cut CO\(_2\) emissions, the report states that average CO\(_2\) emissions per tonne-km are substantially lower for rail and waterborne transport than road and air. The report’s author, Professor McKinnon, writes that “shifting freight to these more environmentally-friendly modes can therefore cut CO\(_2\) emissions.”

\(^1\) Oxera Research for EWS found that up to 40% of aggregates and 20% of metals carried by rail could switch to road May 2007. Freightliner research showed that up to 66% of container traffic could revert to the roads.

\(^2\) Focus on Freight December 2006 chart 5.2b Deaths/KSIs in accidents involving HGV\(s\) per million km travelled.

\(^3\) From the Evening Standard 7 June 2007.
ROAD CONGESTION RELIEF

- An average freight train can remove 50 HGVs from our roads.
- An aggregates train can remove 120 HGVs from our roads—Network Rail.

ROAD FREIGHT

Emissions from HGV traffic have grown significantly since 1990, by 25-30%, the revised DEFRA assessment appears substantially correct. HGV traffic is an important source of greenhouse emissions from transport, second only to cars and vans and to international aviation.

*October 2007*

Memorandum from Campaign for Better Transport (RWP 55)

1. The Campaign for Better Transport, formerly Transport 2000, brings together a wide range of different organisations including environmental groups, trade unions, local authorities and transport operators to promote sustainable transport policies. In summary, we welcome the Rail White Paper but have some concerns about it. We undertook significant lobbying and campaigning in the run-up to the White Paper through a “Growing the Railways” campaign which highlighted the importance of and wide support for expanding capacity. Our submission to the Government in advance of the White Paper is attached as an appendix.

2. There are aspects of the White Paper that we welcome, in particular:
   - A definite plan to tackle the most severe overcrowding in the country, including in cities such as Leeds, Manchester, Birmingham, Bristol and Cardiff, which we highlighted and called for in our sardine man campaign.
   - Adoption of our proposal for “Station Travel Plans” to look at station access systematically and with all parties.
   - Tackling of bottlenecks on the network which we have been calling for regionally and nationally including upgrading and overhauling Reading and Birmingham New Street interchanges.
   - No cuts to local services or stations. We had warned Government that cuts to local services or stations would force more people into cars.
   - Upgrading of signalling and track to increase the number of trains running on the system.
   - A commitment for simplification of the fares systems so that passengers can make more use of it and find cheaper fares more easily.
   - A commitment to set targets for CO2 reduction in 2008.

3. However, we believe the White Paper is deficient in a number of ways:
   - The main big projects such as upgrading main lines, new signalling systems and electrification have been put off until post 2014.
   - Even with the extra carriages promised and the upgrades there will still be overcrowding: extra carriages are needed now not in 2014.
   - Fares are still high and rising (compared to motoring costs) and are still being used to control passenger numbers (price people off) making it an exclusive railway—not an inclusive one.
   - The white paper missed an opportunity to re-introduce Rail Partnership Funding, to kick start small scale schemes such as station integration, station safety schemes and new information systems.
   - The white paper missed an opportunity to expand its Station Accessibility Fund to make even more stations fully accessible to all passengers.

4. There was also a failure to link the railways to wider planning and transport policy, or to plan ahead sufficiently, as we had asked for in our submission. This has become apparent with the threat to the future of the trans-Pennine rail route, in particular the Woodhead tunnel in the Peak District, and the rest of this submission focuses on that, since this is a current issue. We believe the Government should come up with a clear framework for protecting rail alignments and sites for likely passenger and freight development for future use, and that failure to do this will jeopardise the White Paper’s ambitions to increase the capacity of the railways.
TRANS-PENNINE RAIL ROUTE (WOODHEAD TUNNEL)

Summary: The disused Woodhead rail route between Manchester and Sheffield, including the three tunnels through Longdendale, is safeguarded for transport use. It has the potential to enhance travel between the two cities and decrease carbon emissions and other environmental impacts. However it is in imminent danger of being lost forever to rail use due to Government inaction.

At present National Grid owns and uses the two most northerly tunnels for its electricity cable but they are in a poor state of repair. The most southerly tunnel is empty but National Grid intends to re-lay the cables in it. This is the only tunnel that would accommodate the railway but not alongside high voltage electricity cabling. As the use of the two smaller tunnels for rail is likely to be economically unviable, National Grid’s plans would effectively block the re-opening of the rail route. National Grid intend to start work in January 2008, so this is of the utmost urgency.

WHY THIS IS AN IMPORTANT TRANSPORT CORRIDOR

The Woodhead tunnel is part of a direct rail route between Manchester and Sheffield. It is an important passenger and freight route as part of the Strategic Rail freight network. The fact that the tunnel is high gauge is important for the freight traffic. This rail route, using the southerly tunnel, has the potential to cater for passenger and freight services on a severely congested corridor alongside the A628/A616 trunk roads between Hadfield and Deepcar.

The Government announced in October proposals to increase rail capacity for Manchester and across the North. As a potential key trans-Pennine route it would be short sighted to permanently lose the Woodhead tunnel in such a congested corridor.

Rail freight would provide a quick, safe and cost effective means of carrying freight across the Pennines, and a credible alternative to using the heavily congested and dangerous A616/A628 single carriageway trunk road. It would thus provide a sustainable alternative to the heavily congested M62 and the A628/A616. The latter is currently in the top 20 high risk roads for collisions in the UK, subject to bad weather, and carries up to 28% HGVs.

DETAILED BACKGROUND AND HISTORY

There are three tunnels, two of which are currently used by National Grid for their cabling, these are the old Victorian ones which would need re-boring to be used for rail and are not higher gauge so not suitable for rail use.

The third tunnel, the southerly one, which was built in the 1950s is European gauge and this is the one National Grid want to transfer cables to and is the one in good condition which we want preserved for rail use. Rail use and cables in the same tunnel is totally incompatible.

All tunnels are owned by National Grid which has permitted development rights for them but the relevant local plans state that the route should be safeguarded for rail.

National Grid has not consulted widely on the grounds that it is not new infrastructure but replacement of their existing cables. To date there has not been an open full dialogue about the future of the tunnels with all appropriate stakeholders, such as regional planners, the rail industry and its operators, and local people. This must happen or a strategic trans-Pennine rail route of importance to the economy of the north England would be lost.

A Parliamentary Question from Theresa Villiers on 26 November to the Secretary of State for Transport asked what her plans were to reopen tunnel for rail use. The answer was the Department had no plans to reopen the tunnel for rail use.

Freight on Rail wrote to the Secretary of State for Transport on 14th November asking her to intervene. However the response was non committal saying that the application has to pass through the normal planning procedures and consequently it would not be appropriate for her to comments at this stage. However, this is incorrect—there is no planning process or anything to stop National Grid from proceeding.

Freight on Rail wrote to National Grid as a body covered by Regulation 2(2)(d) of the Environmental Information Regulations 2004 on 20 November to request the cost-benefit and other economic analyses and assumptions. A response has not yet been received.

GOVERNMENT POLICY

The Government’s Rail White Paper endorses the strategic freight network and forecasts rail capacity doubling over 30 years. It would therefore be extremely short sighted to lose this strategic rail link in such a congested corridor, as identified in the Manchester capacity study. Additionally, the Department for Transport’s recent “Towards a Sustainable Transport System” (Oct 2007) policy recommends investment in rail in order to support “a strategic freight network which improves connections between regions and ports.”
Furthermore, the Government’s Rail White Paper (Delivering a Sustainable Railway) specifically mentions the need for capacity on the Trans-Pennine corridor, and explains that new lines may be needed to deal with growing demand:

6.29 . . . any future planning should focus on new line options. The question of whether, where and when new lines might be needed is one that can only be answered in the context of a proper multi-modal assessment of the passenger and freight demand on each inter-urban corridor . . . long-term rail demand cannot be forecast with any accuracy, and rail provision cannot be planned in isolation. On the inter-urban corridor . . . rail options will have to be assessed alongside road-widening, road-pricing and traffic management measures. This analysis will have to look at east-west corridors (including the South Wales—London and Trans-Pennine) links, as well as the north-south corridors on which the debate has tended to focus thus far.

REGIONAL AND LOCAL POLICIES


The Peak Park Transport Forum, a 26-member strong consortium of local councils, highway authorities, passenger transport authorities, rail operators, the PDNPA, Network Rail and Natural England promotes the South Pennines Integrated transport Strategy (SPITS) which includes re-opening of the Woodhead Rail route. The PPTF has appealed to MPs, to put pressure on the Secretary of State for Transport to undertake a study to evaluate the potential of the route, incorporating both environmental and economic considerations.

POSITION OF NORTHERN WAY

The Northern Way has written to the Secretary of State for transport highlighting the need to improve Trans-Pennine rail capacity for both passenger and freight services. In short, it said that any loss of the “new” Woodhead Tunnel for use as a potential rail route in order to accommodate the needs of National Grid should only be permitted on a temporary basis.

From its Strategic Direction for Transport report which contains key evidence on why improving the transport connectivity between the north’s principal city regions is so important to enhancing economic productivity it noted the Department for Transport’s emphasis on the importance of considering the case for better east-west links in the Rail White Paper of July, this year. The potential that the Woodhead route offers should be part of this new corridor approach to transport planning that DfT is putting in place through the Rail White Paper and “Towards a Sustainable Transport System.”

The Northern Way believes that to foreclose on the opportunity to establish a step-change transport improvement by a modernised re-use of the disused 1953 Woodhead Tunnel risks poor long term planning and a lack of foresight.

Rail passenger numbers are growing faster in the North than the rest of the country and there is also increasing demand for rail freight. Meeting the Northern Way’s goal of growing the North’s economy faster will result in further growth in passenger numbers and at a rate in excess of the Government’s current passenger forecasts. Research recently published by the Northern Way also shows that future potential demand to move containers to and from the North’s ports and across the Pennines is in excess of what the rail network can currently accommodate.

With the current mix of local, express and freight trains on the existing rail routes very few additional trains can be operated across the Pennines. No doubt longer trains, enhanced signalling and tackling bottlenecks can increase capacity, but we also believe that over the longer term this is unlikely to be sufficient. Additional capacity will be required for local and longer distance passenger services as well as for freight traffic. A successful northern economy is very likely to be led by the resurgence of the leading city regions of Manchester and Leeds—as well as nearby Liverpool and Sheffield—and it is inevitable that this success will add to the pressure on the existing road and rail infrastructure across the Pennines.

The Northern Way has also demonstrated the wider economic benefits of a national high speed rail network linking London with the North West, and Scotland and the North East, and linked by a trans-Pennine route. These benefits could be as much as £10 billion nationally with £3.5 billion of this in the North. Inclusion of a Trans-Pennine link adds a remarkable 40% to the economic benefit to the North from such an investment.

Northern Way’s position is that if the transmission lines are relocated from the Victorian tunnels into the 1953 tunnel this should be conditional that the option is retained for their return to the Victorian tunnels at a later date. As well as maintaining the 1953 tunnel, this would require the National Grid to repair and maintain the Victorian tunnels, a task which, Northern Way believes, ought to be simpler once the current transmission lines are removed. The transmission lines can then be returned there to enable future rail use. Northern Rail have asked the Government to ensure that National Grid enters into an appropriate undertaking so that the potential reuse of this important former rail corridor can be assured.
Action needed: The Secretary of State for Transport must investigate and intervene on this issue as a matter of urgency to prevent this strategic rail route being lost forever. We believe that there should be a full appraisal of the future use of the southerly Woodhead tunnel with full consultation with all the relevant stakeholders before any decision is taken.

December 2007

Memorandum from Friends of the Peak District (RWP 56)

NEED FOR FULL ASSESSMENT OF USE OF WOODHEAD RAIL ROUTE AND TUNNELS

We write to you in your role as the Chair of the Transport Select Committee.

The Save Woodhead Tunnel campaign, an association of local people and groups including the Friends of the Peak District, is seeking a full assessment of the potential of the Woodhead rail route including the use of its tunnels. The integrity of the rail route which is protected in all the relevant statutory plans would be lost if National Grid transfer its high voltage electricity cabling into the largest tunnel. To date, despite appeals from the Peak District National Park Authority, the Peak Park Transport Forum (a consortium of 26 organisations including local councils, passenger transport authorities, rail operators and Natural England), the Yorkshire and the Humber Regional Assembly, the Northern Way and a number of MPs, central Government has ignored the request for such an assessment. We therefore would ask you to put pressure on Ruth Kelly, the Secretary of State for Transport, to authorise such an assessment.

The disused Woodhead rail route between Manchester and Sheffield, including the three tunnels through Longdendale, is safeguarded for transport use. It has the potential to enhance travel between the two cities and decrease carbon emissions and other environmental impacts. At present National Grid owns and uses the two most northerly tunnels for its electricity cable but they are in a poor state of repair. The most southerly tunnel is empty but National Grid intends to re-lay the cables in it. This is the only tunnel that would accommodate the railway but not alongside high voltage electricity cabling. As the use of the two smaller tunnels for rail is likely to be economically unviable, National Grid’s plans would effectively block the re-opening of the rail route.

We understand the imperative for continuity of electricity supply and the need to have a separate tunnel in which to replace the existing cable. However, with competing demands for use of the tunnels there must be a full appraisal of their future use and an informed decision as to the most sustainable use of the tunnels for the 21st century. To date there has not been an open full dialogue about the future of the tunnels with all appropriate stakeholders, such as regional planners, the rail industry and its operators, and local people. We are calling for this to happen.

There is much support for such an assessment as listed above. The Government’s Rail White Paper (2007) Delivering a Sustainable Railway suggests further work is needed to consider new conventional rail line options and that this should include consideration of a potential trans-Pennine route. The Northern Way has identified the Woodhead route as one such link (Short Medium and Long Term Priorities, 2007). Finally, the Department for Transport’s recent “Towards a Sustainable Transport System” (Oct 2007) recommends investment in rail in order to support “a strategic freight network which improves connections between regions and ports.” With constraints on both north and south trans-Pennine rail routes, and severe harm being inflicted by heavy lorries using the parallel A628 trunk road the opportunity offered by the Woodhead route should not be lost.

National Grid owns and intends to start work on moving the cables in the Woodhead tunnels in January 2008. The Government Office for the East Midlands decided not to intervene on planning grounds—it was within its powers to change the permitted development rights that National Grid possesses to undertake the work to full planning permission. We believe that the only route left through which a full appraisal of the route and the tunnels could be authorised lies with the Secretary of State for Transport. We would be most grateful if you would urgently impress upon her the short sightedness of allowing a strategic rail route of such importance to the economy of the north England to be lost. Thank you very much for your help.

December 2007

Memorandum from Dr Michael R Dyer (RWP 57)

I understand that the Transport Committee is currently examining the performance of Network Rail in the context of the wider issue of a 30-year Strategy for Railways. As a chartered civil engineer with direct experience of railway operations, and a resident of Cheshire who has suffered the consequences of the repeated gross failures of Network Rail to properly complete West Coast Mainline projects over a number of years, I feel moved to offer the Committee a few brief comments.
The recent media furore over the New Year project over-runs at Rugby and Liverpool Street will come as no surprise to regular users of the West Coast mainline over recent years and, in particular, to those served by the line in Cheshire. Business and leisure travellers have endured numerous “blockades” (ie total closure) of both the Wilmslow and Macclesfield branches of the mainline through Cheshire, each lasting many months and frequently over-running the advertised reopening dates. In most cases Network Rail could not confirm to the TOC’s the opening date until almost the eleventh hour, preventing the booking of tickets and the settling of travel plans. This is clearly in breach of licence conditions.

For example, in spring 2006 Network Rail announced belatedly that it would be extending the blockade of the Crewe-Cheadle Junction line for “at least” a further 10 weeks. After two earlier extended blockades passengers were promised that there would be no more, apart from the now routine (although still regrettable) weekend possessions. The explanation offered by Network Rail for the latest extension was a lack of “compatibility” of the new Italian signalling system with other rail infrastructure—simply incredible! When the line did reopen, it was with a much reduced train service and with the new signalling system inoperable. This massive failure of huge investment (Network Rail are even now struggling to complete the South Manchester resignalling with further weekend line closures) should have been anticipated and resolved before the project began. It is not “rocket science”.

What we all tend to forget in these situations (the Portsmouth resignalling is just one more example) is the enormous economic and social cost to regional communities of these blockades, diversions and delays. Back-of-the-envelope calculations suggest that these costs are at least as large as those direct costs carried by the rail industry itself. Arrangements for replacement bus services have been abysmal and added traffic to our already congested roads.

The whole situation is made much, much worse by the woeful communication of Network Rail with the train companies and their passengers. Even my MP struggled to obtain a sensible response when prompted by his constituents!

I wish the Committee well in its task, but fear that our rail industry is already beyond redemption.

January 2008

Memorandum from the Civil Engineering Contractors Association (CECA) (RWP 58)

1. INTRODUCTION

1.1 The Civil Engineering Contractors Association (CECA) was established in November 1996 to represent the interests of civil engineering contractors as well as to provide a full range of services to members. CECA promotes the positive contribution that the civil engineering industry makes to the nation.

1.2 CECA’s current membership is in excess of 350 civil engineering companies which range in size from large and well-known national names to the medium and smaller sized company which may operate at a more regional level. CECA members account for around 80% of the civil engineering workload undertaken in Great Britain.

1.3 CECA members construct and maintain national infrastructure which is fundamental to both the social and economic needs of the country. CECA members will perform a substantial part of the construction process of new transport infrastructure and, therefore, CECA welcomes the opportunity to comment on the White Paper.

2. SUMMARY

2.1 CECA welcomes the intention behind providing a 30 year strategy but feels that the actual proposals do not amount to a strategy beyond 2014. This falls some way short of contractors’ expectations. In the White Paper generic responses to predicted growth are preferred to specific measures which, given lead times for transport infrastructure, does not instil confidence.

2.2 The forecasts used by the Department for Transport (DfT) seem to be conservative. No long-term investment programme is advanced due to the unpredictability of forecasting but deferring decisions will only reduce the Government’s ability to institute change after the next control period.

3. CONSISTENT INVESTMENT

3.1 The principal drawback of the White Paper is its failure to plan for consistent investment in infrastructure over the period covered. Through experience, contractors are aware of the inherent dangers of short term funding. For the industry to develop the necessary resources, skills and level of innovation we need a much greater level of certainty. It is unfortunate that the stop-start nature of UK investment in
infrastructure has not just been limited to transport in recent times. We only have to look at energy infrastructure to see the problems of skills shortages and the scarcity of specialist resources that are the product of decades of under-investment.

3.2 The White Paper provides little certainty for control period 5. Funding is only secured until 2014 and the following years are subject to vague suggestions. CECA acknowledges that the HLOS can only specify what the Government wishes to purchase during control period 4 but the fact that an attempt has been made to position it within a strategic framework up until 2030 means that the lack of clarity post 2014 is a major disappointment.

3.3 The hesitancy inherent in the White Paper is, therefore, a cause for concern and particularly frustrating considering that the rationale for deferring decisions to the next control period is unconvincing at best. The DfT seemingly has no problem declaring that: “On the basis of recent demand trends, if the investment committed in this HLOS is maintained through future control periods, in accordance with the capacity and funding projections set out in this White Paper, then the measures described would be sufficient to meet growth on all routes until about 2030” [6.24]

3.4 Yet, any investment programme post-2014 is dismissed based on the unpredictability of demand: “... any strategy that tried to build a rigid investment programme based on fixed long-term forecasts would inevitably be wrong again” [p9]. Not only does this suggest that the DfT does not place much faith in its own forecasts, it is also far from reassuring as the first statement presents the possibility that investment levels may not be maintained.

4. JOINED-UP THINKING

4.1 CECA is also disappointed that the White Paper is a fairly insular document with little consideration given to the impact of rail policy on alternative modes of transport, particularly road transport. Given the Government’s apparent wish to devolve more decision-making over transport to the local level it is also perplexing that an explanation of how rail policy will fit into wider regional, economic and spatial policies is absent.

4.2 The emphasis of the White Paper is on improving the existing network rather than expanding it. However, considering the Government’s own ambitious house-building targets, new infrastructure will be required to support these developments and alleviate the additional crowding on already busy routes which might otherwise occur. Not only would this require new infrastructure but it will also need a sophisticated level of cooperation with other departments. The planning implications would have to be assessed alongside any proposed new infrastructure and CECA welcomes the Government’s recent announcements concerning Major Infrastructure Projects (MIPs).

4.3 CECA agrees with the assertion that the existing network needs to be improved to eliminate areas of high congestion, but given the DfT’s own rather conservative projections for increased passenger demand, it is of some concern that the Government will seemingly not seek to address infrastructure bottlenecks, with the exception of Reading and Birmingham New Street, until after 2014.

4.4 CECA also notes a preoccupation with London and the South East within the White Paper. While this is understandable given the number of people in the area, it is important to emphasise that sustained investment levels are required throughout the network. Scotland is a prime example where the Executive is showing real commitment. The Strategic Transport Projects Review (STPR) is undertaking a review of the existing performance and future requirements of Scotland’s nationally strategic transport network. The objective of the Review is to identify a programme of transport interventions for the 10 year period 2012–22, demonstrating continuous investment in Scotland’s transport infrastructure.

5. FLEXIBILITY

5.1 The basis for not committing to an investment programme beyond the next control period is that it will reduce the DfT’s ability to deal with sudden changes in demand. Should this occur the DfT will resort to more “radical options beyond those currently considered” [p. 9 Summary Document] such as constructing a new conventional line, but there is no indication of what level of demand would necessitate such a change in thinking. However, the fact that “before we commit to any such interventions, the key criteria of capacity, value for money and carbon efficiencies will need to be rigorously assessed,” [p. 10 Summary Document] does not suggest that deferring consideration of other schemes such as high speed rail will be any more flexible than preparing for these scenarios now. If such assessments are to be carried out in time to be included in the next HLOS in 2012 planning for potential new routes must begin in the near future.
6. **Recommendations**

6.1 CECA would like to see a genuine long-term commitment to transport infrastructure investment that will provide the confidence necessary for contractors to invest in resources necessary to construct the rail network the UK needs to keep it globally competitive.

6.2 To that end, CECA advocates the principles of clarity, consistency and continuity. Clarity defining spending profile and timescale to enable investment in resources to meet demand. Consistency to avoid waste, drive efficiency and ensure better value for money. Continuity to allow continuous improvement against deliverable targets which are rolled forward as part of a long term investment programme.

7. **Conclusion**

7.1 While CECA welcomes the Department for Transport’s attempt to create a 30 year plan, CECA believes the White Paper does not constitute a long-term investment strategy. It resembles a statement of vague objectives by the DfT in the hope that Network Rail will be able to achieve them.

7.2 CECA believes a visible, long-term strategy is crucial for transport infrastructure to function efficiently and support the Government’s aims of continued economic growth and environmental sustainability.

7.3 Unfortunately, the White Paper does not fulfil these requirements as the DfT has sought to defer difficult decisions to the next control period in the mistaken belief that by then demand forecasts will have become clearer.

*January 2008*

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**Memorandum from Mrs Eileen Collier (RWP 59)**

I watched with interest the proceedings on 9 January of the Transport Select Committee on the above topic. As an environmentalist I too am interested in sustainable railways, not least because of the threat to our generation and to future generations of climate change.

There were excellent contributions to the discussion from several stakeholders but the most impressive for me was Cliff Perry of the Institution of Mechanical Engineers. If I recall correctly, his was the only voice to remind the Committee of the importance of rail freight routes and the environmental benefits to be obtained from switching road freight to rail.

There was discussion of funding issues too but these seemed to focus only on passenger traffic and rail fares. But rail freight infrastructure also needs investment, particularly in the light of growth in ports development. For passenger traffic the funding was discussed in terms of Government (ie public), railway operators and fare-paying passengers (ie public). Presumably in the case of freight the funds come from Government (ie public), railway operators, ports operators and commercial users of the service.

Is the Committee aware that a further funding stream for freight traffic is available—the EU? Our neighbours in mainland Europe are already using EU funds to build new rail freight routes and the first stage of the rail freight corridor from Rotterdam to Genoa was opened in January 2007. The route from Felixstowe to Holyhead is a designated European freight route (EU TEN-T Route 13) eligible for priority funding—up to 33% I believe. However, the Department for Transport appears to have decided that in the UK this European route should follow our already congested roads (A14 and M6) and the Highways Agency is bidding for EU TEN-T funding for road building for priority Route 13.

Here in East Anglia forecast costs of upgrading the small stretch of the A14 between Cambridge and Huntingdon (where road freight traffic is twice the national average) have now risen to £1 billion, while the Department for Transport continues to ignore the fact that a rail freight route covering this area already exists—Felixstowe to Nuneaton—which only requires further investment in signalling and gauge capacity (estimated in 2006 at some £340 million) to upgrade its capability significantly.

While this would be a short term solution to reducing road congestion (and, incidentally, improving road safety as most accidents on the A14 involve heavy lorries) further investment in rail infrastructure is needed. May I urge the Committee to explore this area further with the ultimate aim of funding a dedicated rail freight route between Felixstowe and Holyhead capable of handling the predicted growth in ports freight traffic? This would not only reduce road congestion but also reduce air, noise and light pollution for local communities as well as helping to meet our national carbon emissions reduction targets. It would also be a huge step forward in meeting the needs of the present without compromising the needs of future generations—surely the quintessential meaning of sustainable development?

*January 2008*
Memorandum from Peter G Rayner (RWP 60)

1. INTRODUCTION

As requested I have examined the White Paper “Delivering a Sustainable Railway: 30 year Strategy for the Railways”.

Having passed in detailed review of the document I am of the opinion it is not strategic in nature but is a list of short term objectives and does not address the needs of the railway over the next 30 years. The Treasury influence throughout the document is easy to see and with a subservient ORR operating with the less stringent controls allowed by the 2005 Transport Act the document merely illustrates the fact the power of decision remains everywhere with the Department for Transport itself.

I have divided this comment into sections for ease of understanding outlining the shortcomings and making suggestions for a more fruitful examination.

2. COMMENTS UPON ACCURACY/OMISSIONS/SHOTCOMINGS OF EXECUTIVE SUMMARY

Rather than point to each slightly incorrect or questionable statement, of which there are many, I have concentrated upon a few more serious points which if not challenged could seriously mislead a reader of the White Paper. In each case I have identified the page and paragraph number where applicable for ease of reference.

The Foreword itself on page 5 contains the following challengeable statement that the industry is “getting the basics right.” This cannot be correct given, for example, the engineering problems at Lambrigg last year and at Rugby and other places over the recent Christmas and the New Year.

To assert both in the summary and throughout the document that the railway is carrying “more passengers than ever” is to ignore the double and sometimes triple counting that exists. This happens because the National Rail Trends which counts journeys uses a tool designed for the allocation of Revenue. Therefore any journey which goes across two Train Operating Companies (TOCs) is counted as two journeys. Journeys to a London Termini—since one can vary the Termini used—also counts as two journeys. Under BR both examples would have been one journey.

The statement that the railway is “safer than before” is simply not true. As this is further developed on Page 7 it needs to be remembered that the major accidents largely happened because of privatisation. Even Clapham in 1988 had its roots in the privatisation proposals. The then Chief Signal Engineer for the Southern Region had identified testing weaknesses and had a plan to correct it but was prevented from so doing. Lessons of Purley would have prevented Watford and Ladbroke Grove. AWS and ATP would never have allowed the Driver from Swansea who collided at Southall to have driven at 125mph with no back up. We have now had Hatfield, Potters Bar and Lambrigg together with staff fatalities at Tebay, all of which would have been unlikely to have occurred under the unified management structure that was BR.

To state on Page 11 that the case for electrification is not made is perhaps the biggest error within the White Paper. The 3rd Paragraph under the heading of “Delivering environmental potential” states “The case for network wide electrification will be kept under review and is not made yet” That is simply incorrect and flies in the face of the later statement “the right long-term solution for rail will be the one that minimises its carbon footprint and energy bill”. (See Section 11 Paragraphs 11.26 which makes the environmental and capacity case for Electrification). If that is true then the electrification wants to start now not wait five years. Paragraph 11.27 then gives three reasons against, all of which are spurious. The statements saying it depends upon the relative rates at which the carbon footprint of electricity generation declines and the rate at which options become available for low carbon self powered trains, neither of which can be forecast at present, is rubbish. The government has just decided to address the carbon footprint of electricity generation by building modern nuclear powered generation added to wind and water power and even more efficient coal fired stations. With all this in the pipe line, who in their right mind can see low carbon self propelled trains as an option?

The reality is that rather than face the sensible future in an environmentally sensible way, the White paper talks of Cab Based signalling and other fringe issues because they carry no immediate cost, and are more palatable to the Treasury than electrification which carries a high initial cost. No sign of a Capability Brown approach from the Treasury is again apparent. Electrification is further developed in Section 3.1 of this commentary.

The reference on Page 11 to cab based signalling (CBS) is misleading because in fact electrification and CBS are not interdependent.

To state also on Page 11 that “infrastructure bottle necks will be tackled” is again vague and certainly not the case with the constant reference sprinkled throughout the document to Birmingham. Again on Page 11 it states Cities and Regions will need to take their own view. Such an attitude given the reduced power of the ORR under the 2005 Act could easily lead to local initiatives which would be unstoppable and be against any real Strategic Route examination. Cambridge with a Guided Busway proposed over a strategic route
which could have been reopened to address the East Coast bottleneck at Welwyn is one such example, Birmingham and the West Midlands another. I have developed route strategy in Sections 3.2 of this commentary.

Also on Page 11 the “go anywhere train” sounds good but its very versatility will make it expensive and hideously complicated and more prone to failure.

The growth figures and the projections there-from are frequently open to challenge for different figures arise with different schemes. By chance as I was the Independent Chairman of the Noise Compensation Group for Birmingham International Airport (BIA) and have been since 2004 it has kept me up to date on the issues. I was able to see the information from the (BIA) surface access plans which showed that the Department for Transport had a 30year vision for Airports and required them to produce such planning initiatives. In the case of Birmingham the Airports aspirations and the DtI’s railway specifications simply do not add up.

The growth figures are suspect and the two plans—one rail one airport—do not hang together. For example the Birmingham and West Midlands Capacity Review stated capacity would be reached in that area in 2025 whereas the National Audit Office Report of 21 November 2006 says full capacity on the West Coast Main Line will be reached by 2015.

Page 12, the so called 7 ½ mile gaps between trains is nonsense. Although this sort of error is hardly worth challenging the CBS myth has to be put in context. The savings of CBS are at best marginal. There is a further statement that CBS will improve headways which is flawed and needs challenging. The headway is dependent on the performance of the train in front. If the leading train requires to slow down, headway is immediately compromised irrespective of the signalling system. The timescale for CBS also seems optimistic since NR haven’t even started the trial on the Cambrian Line. Further detailed comments follow in Section 4 of this commentary.

3. ITEMS OF PRIME IMPORTANCE

3.1 Electrification

It has been demonstrated by recent events that the industry has lost the expertise on overhead electrification and what would be a more strategic approach would be to reassemble those teams of experts and their resources and commence with small schemes over the next five years. Say Preston to Blackpool over the Fylde is easy. Manchester to Preston again would be a simple link up scheme. Maybe the North Wales coast line. Once the skills are again available will be the time to look at Midland Main Line and the GW Mainline.

It borders on hypocrisy in my view with the present global warming situation to say in the Executive summary Investments that starts before 2014 will deliver their full benefit in later years and then to put electrification on hold.

3.2 Routing strategy

It becomes apparent that nowhere in the document is the network examined strategically in so far as rail is concerned. It should be noted that the strength of the railway in the past was that there were alternatives always available. Routes that could be used for diversion in event of engineering or disruption and that flexibility were the key to keeping moving.

There are several railway formations that are either mothballed or otherwise still in situ throughout the UK that could be useful freight routes (therefore releasing passenger route capacity) which if reopened would help capacity in the network and make for useful passenger links that could be developed.

The White Paper is silent upon such routes and I have listed a few of them for consideration.

i) The Woodhead Route across the Pennines built to European standards is consigned to the role of having electricity generating cables through the middle of it.

ii) The St Ives to Cambridge line is having a Guided Busway built on it which will prevent a rail connection from the East Coast Main Line through Cambridge to Stansted Airport and London.

iii) The Uckfield line could be extended through to Lewes with further electrification extension of the Southern Third Rail network.

There are many more such examples in England, Scotland and Wales which the White Paper—a strategic document—covering the next 30 years ignores.

Space prevents a detailed exposition of these routes but there is one particular example which is key to many of the problems of capacity. There is a route from Oxford to Stockport which is strategically placed to carry goods and passengers, an alternative way through the West and East Midlands. This once in a lifetime opportunity is to be blighted by the extension of the West Midlands Tramway.
I gave evidence to the Transport and Works Inquiry in November 2002 having produced an Expert Witness report into the extension of the Centro Tramway from Wednesbury to Brierley Hill and at the time I was examining that Tramway extension I was asked separately and by a different client to consider the case of the extension from Matlock through to Millers Dale.

The release of the above line to Heavy Rail use would provide direct services from Worcester and beyond to Stourbridge, Walsall, Burton on Trent, Derby, Matlock to Manchester, opening up lines which should not have been closed and for which the formation and routes are available and would take Passenger and Freight from out of central Birmingham.

In the research associated with that report it became clear that enhancements of the existing Oxford–Worcester line to facilitate freight trains moving via the Stourbridge to Walsall line and avoiding the need to run them through central Birmingham area was one of the strategic ways to ease the congestion. It would also release Freight Paths between Leamington and Birmingham by both the Solihull and Coventry routes again easing the congestion.

To run the tramway over the Heavy Rail formation is clearly a waste of that infrastructure’s robustness and it’s fit for purpose as a railway line. In addition, for simplicity and lack of effort in solution-solving, it simply takes the tramway away from the centres of population along the way. The strength of the Tramway is that it can use the streets safely and take people from homes in the locality to the centres of business and trade.

Although the T &W Inquiry found for the Tram route to go over and destroy the Heavy Rail route the Inspector recognised that it will cause a Heavy Rail route right through the heart of the West Midlands to be lost and he did say:

“As for his argument that the SRA should be doing what he did, it is just possible that on a long term view beyond current planning and policy horizons, Mr Rayner is correct about the desirability of providing for a heavy rail passenger link between Stourbridge and Walsall. But rightly or wrongly Mr Rayner is not the SRA”.

May I tactfully point out the SRA are no longer in existence but I am (only just one might say, but still here!). It is my view that the implementation of the tramway should be halted or if going ahead it should be built to heavy rail requirements so that the error can be rectified and the Tramway routed through an area where it is needed.

A copy of my Report and Appendices with maps has been made available to the Clerk to the Committee.

3.3 High speed lines

Whilst the High Level Output Specifications (HLOS) for five year blocks—2009 to 2014—is a reasonable way to upgrade the existing railway, the Strategic vision that is needed is to look further. The White Paper admits the railway will run out of capacity but offers no solutions.

We have to look beyond the HLOS, beyond even such excellent plans as the Reading remodelling and recognise we have to build a new railway capacity in the UK, much as new Motorways were built in the 60s.

High Speed lines are capacity creators and are not just about maximum speed. To make economic and environmental decisions on 350kph rather than 300kph which is the Eurostar speed gives an unnecessarily high carbon footprint which the White Paper uses to make the case against these lines.

Even in France the first High Speed line between Paris and Lyon was built because of capacity problems. It freed up the classic rail routes via Dijon for freight usage. The same economic value could apply to the West Coast Main Line after High Speed line number two is built. The White Paper ignores High Speed lines other than knocking them down along with electrification whereas what the DfT should be doing is identifying and protecting land on High Speed Route 2 and on the other routes that logically follow.

I have no axe to grind personally, nor involvement with Greenguage Group, but for the White Paper to ignore the capacity problems and rely on the Eddington Report, propped up by the many false assumptions, is in my view irresponsible.

3.4 Skills and training

The industry has lost at least two generations of skilled management and staff and is left with very little ground knowledge such as the ability to introduce simple operating by single line and insufficient Supervisory Staff. An army almost bereft of NCOs. The White Paper does not address this problem.

4. Comments upon Accuracy/Omissions/Shortcomings of Remainder of the White Paper

Pages 14 and 15 show two graphs on Figs 1.1 and 1.2. and I would suggest both show how well and how steadily BR was improving between 1985 and 1990. It also shows how performance faltered in the run up to privatisation in the early 90’s when management and government concentrated solely on cutting up the industry for selling off. Railway decline was generally the fault of the Government—for example it was not
until the early 1960s that the freight common carrier obligation was abolished while road hauliers were free to pick and choose their traffic. Road building was extensive in the 1960s and 70s and government policies have always ensured that motoring costs have increased more slowly than public transport fares. Since privatisation 20 years ago there has also been considerable decline in bus usage. There were significant improvements after the 1968 Transport Act and creation of the PTEs (now neutered by 2005 Act). Rail grew significantly in the 80s and 90s, not only in the conurbations but with economic growth, and many stations were either re-opened or built. But due to government fiscal policies, fares were used to dampen rising demand for rail travel. We see the same happening now!

Page 18 Fig 1.4 shows aviation emissions as very slight, one supposes that is because only domestic flights are shown, which is fair enough but most people will not realise that. See Carbon Emissions Chart attached.

Page 19 para. 17 is a laudable sentiment but such is the anti electrification flavour of this White Paper it is not acknowledged that this would be a key driver for electrification.

Page 19 para. 1.20 is a high sounding objective and reads well but since the total power of decision under the 2005 Transport Act passed to the Department for Transport it strikes me as hypocritical. The 2005 Act took the power of the PTEs away—destroyed the SRA and weakened the role of the ORR to what appears to be sycophantic shadow of its robust former self.

Page 20 para. 27. Again no mention of electrification. The second bullet point is a recipe for doing nothing which in a strategic document is almost laughable.

Pages 22–29. My comments on the statement safer than before which are on page two of this commentary encapsulate my views on this section.

Section 3 pages 30–37 on Reliability is in my view incorrect when it says reliability improved after privatisation until Hatfield. Fig 3.1 on page 31 conveniently starts in 1998!!

Page 37 para. 3.19 refers again to radio based signalling and is again incorrect because the failure of points for example is controlled by adequate maintenance. Radio based signalling will not obviate the need for point maintenance; radio based signalling will not help to make trains run on time. Headways are lengthened by RBS when compared with traditional four aspect signalling. It seems to me talk of radio based signalling which is itself a long way off, is repeated as a mystic formulae because some boffin with no practical knowledge of operating a railway has convinced the writers. The White paper does not understand cab based signalling. They may think it could incorporate some of the advantages claimed for moving block.

The whole question of reliability can only be addressed if it is recognised that the operation of a railway is not just a question of engineering. The role of operator is akin to that of a Master Mariner on a Liner and the skilful regulation of train with train was lost when that role was diminished. Reliability is compromised when trains run on contractual terms rather than skilful manipulation based on speed and stopping pattern.

At present the role of operator on the railway is in many cases a subordinate one certainly in Network Rail.

Section 4 on Capacity challenge seems to be a blind spot and based on false assumptions. For example to state that remodelling Paddington and Reading will double the capacity of the GW Main line is again a manifestation of the authors lack of any practical knowledge.

Page 38. The capacity challenge speaks of the sheer scale of works required to deal with the growth projections. The detail of work to be done points to huge interruptions of the existing network, which clearly cannot deal now with the engineering work already in hand. Yet all the HLOS and plans in the White Paper are based on major dislocations. Many examples exist of a shambles to come. Crossrail works will affect Paddington, the GWML is running badly now and with Reading changes to come some sensible strategies are needed. All this points to the need for New Works, New Alignments, High Speed Lines built away from the running railway so developments will not totally disrupt the here and now. St Pancras and the HSL 1 being a suitable example.

Page 40 is a reference to Birmingham New Street. The White Paper makes several references to New Street and this is the first of them which does in fact state the case as it is. The present plans for New Street is for a prettier fac¸ade and a bigger area for passengers to wait in. My earlier report to the Committee on New Street gives the details and still in my view is a correct reflection of the position. The later references in the White Paper to New Street are more disingenuous with talk of improvements to passenger capacity and of New Street being a key pinch point. None of these concerns are being addressed by the Gateway Scheme which is merely cosmetic and even that is currently stalled with Network Rail running a competition for a new design. The White Paper is silent upon this issue.

Central Birmingham is part of a National Network and should not be the prerogative solely of Birmingham Council. I have covered the issue under Routing Strategy under 3.2 of this Commentary.

Page 48 Para. 5.11. The reference to Cambridge and to Milton Keynes illustrates the danger of allowing devolved areas too much local influence. Milton Keynes is a key strategic location suitable for East West Rail travel, and schemes are available for examination but nowhere does the White Paper tackle this issue.

Cambridge are in fact building a Guided Busway over what is a Strategic Route from the East Coast to Stansted and Liverpool Street. See Section 3.2 for Routing Strategy.
Page 60 Para. 6.8. The DfT is anticipating further road building which will ease demand on the railway. It states: “Rail demand will be heavily influenced by developments on other modes. The Eddington Study indicated that highway demand could grow by 30% on 2003 levels by 2025. Remedial action to tackle inter-urban road congestion—whether by road widening, traffic management or other measures—will inevitably impact on the demand for rail travel, as will developments in domestic aviation.” No plan to improve the railway to lessen the need for road building, road widening, etc!

Page 62 Para. 6.14 is misleading because comparisons of speeds of trains increasing from 200kph to 350 kph is disingenuous when in mainland Europe the 300kph level is agreed sufficient to justify new electrified High Speed Lines. This again is to make the case against electrification. Again there appears to be an anti-rail bias in the so called strategy white paper which is unpalatable and should be challenged for what it is.

Page 92 Section 10. The Summary to this section, although I have not specifically commented on many of the double speak misrepresentations in the White Paper is, in my view, misleading in the extreme. The more the government forces up rail fares even more demanding will the passengers become. If capacity does not increase sufficiently, and/or fares increase too sharply, people will switch to other modes. A cynical view would be that this is actually government policy.

Page 117 Para. 11.29. The bias exists even to the point of mentioning rail industry non traction electricity consumption as a cost i.e lighting etc. Is one to assume therefore that Road/Motorway lighting is a non traction power electricity consumption cost to the Road Transport industry and road development? I fear not.

5. Recommendations

The lack of vision of the strategy document should be strongly criticised since it does not address the future but is guided throughout by the short-term hand of the Treasury. The many incorrect assumptions, biased views and contradictory statements in the document should be exposed. Above all considerations, an immediate commencement of an electrification programme should be recommended. This would be in accordance with the Department for Transport’s own chart of carbon emissions which shows electrification to be easily the leader and is attached.

January 2008

Memorandum from Angel Trains (RWP 62)

1. Background

1.1 Angel Trains is one of Europe’s leading train leasing companies and a wholly-owned subsidiary of the Royal Bank of Scotland. Angel Trains finances the construction of new railway rolling stock and the heavy maintenance, rebuilding and refurbishing of existing stock. Angel Trains manages the risks involved in the supply of new and existing rolling stock over the total life of the vehicles, which is usually at least 30 years for rail vehicles. Seen from a UK perspective, operating leasing may appear as a device to reconcile the relatively short franchise lengths of UK passenger train operators with the 30-year life of rail vehicles. In fact the same leasing method is increasingly widely used in Europe, where Angel Trains’ owned vehicles—locomotives and passenger units—are on lease with state-owned railway administrations and private freight and passenger companies.

2. Leading Investor in Railways

2.1 In the UK, Angel Trains has provided more new investment in trains than any other UK leasing company, and is to date the largest private investor in UK rail. Angel Trains leases vehicles to 18 of the 20 passenger TOCs and to freight operator EWS. It owns and maintains over 4,400 rail vehicles, about 36% of the nation’s stock. Since privatisation, Angel Trains has invested nearly £3 billion in new rail vehicles, including:

— £935 million for Siemens Desiro Trains for South West Trains, London Midland and One;
— £700 million for the 53 West Coast Pendolino trains leased to Virgin West Coast; and
— 280 diesel locomotives for EWS, the UK’s largest rail freight operator, an investment of £340 million.

2.2 Angel Trains is also investing £110 million across its HST fleet including a project to re-engine and upgrade 49 High Speed Train power cars leased to First Great Western and National Express East Coast. This included installing greener, more efficient, more reliable engines, to allow the HSTs to continue in service until a replacement train is available.

Other fleet refurbishments total £165 million.
2.3 Angel Trains is part of Express Rail Alliance, a consortium bidding for the DfT’s Intercity Express Programme to design, build, finance and maintain the UK’s next generation of high speed trains. The other members are Bombardier, Siemens and Babcock & Brown.

3. **Willingness to Invest in New Trains**

3.1 Angel Trains welcomes the Government’s High Level Output Specification and the commitment to sustained Government investment in Railways. This has the potential to sustain the climate in which private sector investors will have the confidence to continue the high levels of investment of recent years. The private sector will be able to finance all the new rolling stock required to cope with the predicted level of growth and is anxious to do so. Angel Trains’ commitment to invest in new trains is demonstrated by the growth in our European business while in the UK, delivery of new trains has slowed almost to a standstill largely because of Government policy—see appended graph Figure 1.

4. **DfT Determines which Trains go to each TOC**

4.1 The other side of the coin of sustained Government support for the railways is that virtually all strategic decisions and many lower order decisions are now taken by the Department for Transport. This applies to the procurement of new rolling stock and allocation of new and existing stock to individual train operating companies. DfT exercises this control through tight franchise specification which in effect prescribes the type and number of trains to be used including new rolling stock as a franchise commitment. It has also acted to proscribe the introduction of new trains in new franchises. Although contracts to lease rolling stock are between the leasing company and the operator, DfT counter signs each lease and no new lease for rolling stock can be signed without DfT’s agreement for franchised operations, even if the leasing company and operator have agreed on it.

Although the DfT seems to want detailed control of all aspects of the railways, Government on behalf of the tax payer will contribute only about one-fifth of the railway’s income; passengers and other users will contribute nearly 80%. (See Figure 2.)

4.2 In its emerging thinking on the review of the rolling stock leasing markets, the Competition Commission (“CC”) said: “We note that contractually the ROSCOs’ customers are the TOCs but that the franchising arrangements are such that the DfT has certain attributes of a customer:

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- the rolling stock leasing rentals are likely to be directly reflected in franchise bids such that these costs are effectively passed from the TOCs to the DfT and reflected in the subsidy or premium payable for the grant of the franchise;
- the DfT can play a pivotal role in the specification of rolling stock; and
- leasing arrangements require approval from the DfT.”

4.3 This has applied to “cascades”—transfers of rolling stock to other operators when it is replaced by new or other available existing trains. The main constraint on cascades is the DfT. In a working paper published by the Competition Commission as part of its investigation of the rolling stock leasing market, the CC said that the DfT had quoted that it “adopted a relatively more intrusive approach to approving leases for key strategic reasons.” (Para 86).

4.4 The CC in the same paper says that SercoNedrail had mentioned a delay in the approval of 30 additional Class 158 units from Angel Trains. SercoNedrail believed that the delay was caused by the implications that the deal may have had for the West and East Midlands franchises. First is reported by the CC to have mentioned its attempts to secure rolling stock for its Greater Western franchise from Angel Trains and Porterbrook; the rolling stock was operating on the Midlands and other franchises. The DfT did not approve the lease. First believed that the DfT may have developed its own strategy for rolling stock.

4.5 DfT has also intervened to discourage Angel Trains and the other ROSCOs from entering into leasing agreements for available stock with new open access operators such as Grand Central.

4.6 Tom Harris (Parliamentary Under Secretary of State, DfT) in a Commons written answer (17 December 2007) said that DfT had held various discussions with Northern Rail during 2007 about the provision of rolling stock new to the franchise. These discussions had centred, firstly, around the procurement by Northern Rail of additional class 158 rolling stock, replacing a number of class 142 units. (We should note that the leasing arrangements with Northern for the additional 158s were eventually concluded but subsequently the DfT obliged Northern to sublease many of the trains, forcing Northern to put class 142 trains back into service)

4.7 A DfT rolling stock strategy appears to have been operating for some time, although (see below) it is not due for publication until January 2008.
6. THE INTERCITY EXPRESS PROGRAMME

6.1 DfT has taken nearly three years (and spent £6.7 million on consultants) in coming up with a specification for a new high speed train. The White Paper says that the specification for IEP trains will improve their reliability by engineering complexity out of the design, and they will be tested in service for 15 months so that “teething problems are solved before the trains come into full operation.” This is already standard industry practice. Problems arose in the past because the penalties regime made testing new trains on the live railway very difficult; or in the case of the slam door replacement fleets, because Railtrack knew so little about its infrastructure that it was unable to give operators, manufacturers and train owners clear guidance about design parameters. The industry has sharpened up its act: the DfT’s desire to become a train design organisation offers a solution to a problem which no longer exists.

6.2 Angel Trains, in collaboration with manufacturers and TOCs, began a programme of designing and procuring the new trains (then called HST2) three to four years ago, and had we been allowed by the DfT to proceed, prototypes would be operating under test by now. It should be noted that one of the DfT objections to an industry led solution to HST replacement was that we might end up with a variety of train solutions and/or a monopoly supplier. In fact the Angel Trains’ proposal foresaw the sharing of the solutions amongst other funders and the TOCs. IEP, of course proposes a single monopoly supplier for the replacement of both HST and IC225, as the IEP programme now includes replacement of the IC225, in fact scheduled prior to the HST replacement. To emphasise the point, in the case of the re-engine programme on the current HST fleet, while Angel Trains (and First Group) funded the trial of the new engines, the designs were made available to the industry as a whole and have been used by all the companies involved in HST re-engine programmes.

7. DFT’S DELAY HAS DELAYED NEW TRAINS

7.1 The Government intends to publish its rolling stock strategy in January 2008. It is not clear to what extent the DIT has been consulting with the rail industry on the detail of the strategy since the publication in July 2007 of the White Paper Delivering a Sustainable Railway. No discussion has been held with Angel Trains as one of the current vehicle owners. As the White Paper was being compiled, the emerging figures of growth and the need for more rolling stock were well known in the industry. Ministers have made clear that they expect this new stock to be financed through leasing arrangements (not necessarily, of course through the existing ROSCOs). If the DIT had encouraged operators and leasing companies to reach agreements on new stock, orders for construction could have been placed months ago and some trains could by now have been within weeks of entering service. It seems that the DIT wishes to see new trains arriving only after 2009, ie the start of CP4.

8. 1,300 NEW VEHICLES: A MINIMUM OR A DfT CAP?

8.1 While the commitment to 1300 new vehicles is welcome, this is the minimum number likely to be required to cater for growth between 2009 and 2014. It would be unfortunate if it came to be regarded as a DfT-imposed ceiling. According to ATOC, growth for 2006 and 2007 was at an annual rate of 6.5 to 7% measured by passenger kilometres. At Para 105 of the Industry Background Working Paper, the CC notes that growth in passenger kilometres in Great Britain from 2006 to 2014 is forecast by the DIT at approximately 23% (Compound Annual Growth Rate approximately 2.6%). The DIT has stated that the anticipated growth in passenger demand is a major reason for the capacity increases which the Government specified in its HLOS published in July 2007. We should note that the DIT commitment to additional capacity is for CP4, implying that its plan is for the introduction of new capacity over the period beginning 2009 and not completed until 2014. It has to be questioned whether this is an adequate response to the very real overcrowding issues already seen throughout Great Britain.
8.2 The UK market for rolling stock is relatively isolated in the sense that trains in use in other European countries cannot be used here due to loading gauge and other considerations. In continental Europe a train design can often be used in a number of countries hence enlarging the addressable market for the product. Any train for the UK is however bespoke. While a good example is the IEP diesel powered 125mph train, not produced for any other market, it applies to all rolling stock. The result is generally higher unit prices because of small production quantities (with no potential for sales in other markets). This is exacerbated by the absence of an overall long term strategy and the lack of planning leading to infrequent and often small order quantities. Production for the UK is often on a start-stop basis leading to repeated start-up costs and unpredictable orders to sub-suppliers, yielding higher input costs.

8.3 By mid-2008 it should be clear whether the DIT has got its forecasts right. With current passenger growth rates we will have achieved one third of the DIT predicted growth to 2014 by the first anniversary of the White Paper! To deal with current levels of growth as reported by ATOC, closer to 1800 new vehicles would be needed. Whatever procurement and allocation processes emerge in January they must be flexible to enable the industry to continue to build sufficient trains to meet passengers’ needs.

9. **Long-term Issues Not Tackled**

9.1 The HLOS commitments to specific enhancements in infrastructure up to 2014 are welcome; for example, at Birmingham and Reading, the Thameslink upgrade and the separate but equally welcome decisions on funding Crossrail. It is right that rational use of the network should be pursued through the route utilisation strategies. However five years is a very short time in railway terms. Trains have a normal service life of 30 years and infrastructure often even longer. The HLOS statement is made in the absence of a real 30 year strategy for the railway. The White Paper is less successful in identifying steps which should be taken in 2009–14 to enable growth after 2014. Most notable of these are the effective dismissal of further electrification and a start of planning work for a new high speed line (HS2).

9.2 There is reason to question the DIT’s assumption of the future level of oil prices used in its planning on electrification. Delivering a Sustainable Railway says, “The case for network-wide electrification will be kept under review; it is not made yet. The right long-term solution for rail will be the one that minimises its carbon footprint and energy bill. That depends on the relative rates at which the carbon footprint of electricity generation declines and the rate at which options become available for low-carbon, self-powered trains, neither of which can be forecast at present.”

Although the White Paper then deals with the carbon implications of the choices on electrification, the issue of its possible impact on rail’s energy bill is not further discussed. As a result, there have been a number of efforts by Parliamentarians to explore this issue further.

9.3 In a Lords Debate on 29 November 2007, Lord Bassam of Brighton said (Lords Hansard Col 1387) that the assumptions made on fuel prices that underpin the DIT forecasts were based on the Department for Business, Enterprise and Regulatory Reform’s (DBERR) central forecasts on oil prices. A paper DTI Updated Energy and Carbon Emissions projections, published with the Government’s Energy White Paper in May 2007, sets out projections based on three illustrative fuel price scenarios of low, central and high prices which (the paper says) reflect uncertainty over the outturn of future prices and are not detailed forecasts of future prices. The low prices scenario assumes a level oil price of $25 per barrel throughout the projection period (2010–20), a central scenario assumes $57 per barrel in 2010, $50/barrel in 2015 and $52.5/barrel in 2020 and in the high price scenario oil is $70 per barrel in 2010 increasing to $80 per barrel by 2020. DBERR’s forecast, Lord Bassam said, was that oil prices would fall from $65 per barrel in 2006 to some $53 dollars per barrel in 2030, with most of the decline occurring from 2012. That was the basis on which DIT projections are made. Of course, he said, there would be a wide-ranging debate and continued reflection on that and “no doubt there will be considerable disagreement too, but that is the model on which we currently base our view.”

Lord Bradshaw also asked whether an increase in the forecast price for oil between now and 2030 strengthened the economic case for further electrification of the railway system and the purchase of electric trains. Lord Bassam said that an increase in the forecast price for oil was likely to strengthen the economic case for electrification. The extent to which higher oil prices improved the case for electrification depended upon the relative change in diesel and electricity prices and the impact of the oil price increase on the cost of car use, which could influence rail patronage.

Currently, oil costs around $100 per barrel. Even if Government were to base policy on the high price scenario from its own projections, conclusions about the case for electrification being “not made yet” would have to be revised.

The response in the White Paper is interesting and non-committal: “The Government will encourage progress by funding research and writing environmental objectives into passenger franchises. But the Government will not subsidise train operators to undertake efficiency measures, such as on-train metering that pay for themselves via reduced fuel bills. Train operators must take greater responsibility.”

9.4 As electric trains can use energy from fossil fuels, nuclear and renewables, they are inherently more flexible and able to cope with future energy price shocks. Maintaining uncertainty about electrification will also increase costs of procurement and manufacture of the Intercity Express (IEP) train intended to replace
HSTs from 2011 onwards. Either electrification has been ruled out for the control period 2014–19 as well or, at some point in the early 2020s some IEP trains will have to have their (almost new) diesel power cars replaced or rebuilt as electric power cars. While there might be an opportunity to cascade IEP diesel units elsewhere in the UK, the investment in depot and handling infrastructure is likely to be wasted. The structure of the IEP procurement by the DfT effectively guarantees usage of the IEP fleet. There are also considerable uncertainties around the procurement of regional or commuter diesel trains. Purchased in the period of CP4 these trains will still be in service until 2045 and beyond. To restate a point, the UK is likely to be the only market in the world for “self-powered” high speed trains, leading to considerable questions about the manufacturing costs.

9.5 Unless investigation and preparatory work on any future High Speed line commences in the CP4 period it is clear that any implementation will be considerably delayed. We should however recognise that the debate about HS2 concerns capacity problems with the existing network particularly as the approaches to London termini become saturated. It is correct that there are a large number of schemes that will improve the capacity of the existing railway, hence the Network Rail plan for some £2 billion of enhancements per year in CP4. However, if the railways continue to grow even at the DfT forecasted rate then inevitably that additional capacity will be used up, for both freight and passenger services. Given the long term planning horizons for any infrastructure project in the UK, new high speed capacity is likely to be ready only when we have exhausted the possibilities of the existing systems.

January 2008

Figure 1

ANGEL TRAINS GROUP’S INVESTMENT IN THE UK AND IN CONTINENTAL EUROPE

NEW BUILD COMPARISON BETWEEN UK AND ATI

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>New build—no of vehicles</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>22</td>
<td>208</td>
<td>78</td>
<td>569</td>
<td>665</td>
<td>120</td>
<td>68</td>
<td>—</td>
</tr>
<tr>
<td>New build ATI—no of vehicles</td>
<td>—</td>
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<td>—</td>
<td>—</td>
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</tr>
<tr>
<td>New build ATI—cumulative no of vehicles</td>
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<td>—</td>
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<td>49</td>
<td>122</td>
<td>173</td>
<td>411</td>
<td>449</td>
<td>497</td>
<td>644</td>
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</tbody>
</table>

![Graph showing new build comparison between UK and ATI](image)
Figure 2

COST OF THE RAILWAYS (TAKEN FROM TABLE 12.1—FROM THE WHITE PAPER)
(MONEY OF THE DAY, IE INCLUDES INFLATION)

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOC costs</td>
<td>26.8</td>
<td>+ 3.3% pa (note 49,000 staff)</td>
</tr>
<tr>
<td>Network Rail costs</td>
<td>20.2</td>
<td>− 3.0% pa</td>
</tr>
<tr>
<td>Enhancements</td>
<td>6.9</td>
<td>Thameslink, etc</td>
</tr>
<tr>
<td>Extra rolling stock</td>
<td>1.3</td>
<td></td>
</tr>
<tr>
<td>Total industry costs</td>
<td>55.2</td>
<td></td>
</tr>
<tr>
<td>Passenger revenue</td>
<td>39.2</td>
<td>+ 8.8% pa</td>
</tr>
<tr>
<td>Other income</td>
<td>3.9</td>
<td></td>
</tr>
<tr>
<td>Total income</td>
<td>43.1</td>
<td></td>
</tr>
<tr>
<td>% of costs covered</td>
<td>78%</td>
<td>Most costs covered by income</td>
</tr>
<tr>
<td>Gap remaining</td>
<td>− 12.2</td>
<td></td>
</tr>
<tr>
<td>NR borrowing</td>
<td>+ 6.0</td>
<td>Covers enhancements</td>
</tr>
<tr>
<td>NR borrowing cost</td>
<td>− 8.4</td>
<td>Paying for past sins</td>
</tr>
<tr>
<td>SOFA</td>
<td>+ 15.3</td>
<td>From the taxpayer</td>
</tr>
<tr>
<td>SOFA borrowing cost</td>
<td>− 0.8</td>
<td></td>
</tr>
<tr>
<td>Net</td>
<td>0</td>
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</tr>
</tbody>
</table>

Memorandum from the Disabled Persons Transport Advisory Committee (DPTAC) (RWP 63)

The Disabled Persons Transport Advisory Committee welcomes the opportunity to comment on this White Paper. We are especially pleased that we were consulted at such an early stage in the planning, which is extremely useful in ensuring that any mistakes are cleared up before publication.

Although DPTAC’s primary responsibility is to advise ministers on the transport needs of disabled people we are acutely aware that these issues cannot be viewed in a silo from the general running and funding issues illustrated by the HLOS (High Level Output Statement), SoFA (Statement of Funds Available) and Network Rail’s Strategic Business Plan. We also acknowledge and welcome the £370 million Railways for All fund, concerning which we are working hard with the Stations Team at Department for Transport to ensure provide maximum improvements over the network for a passengers with a wide range of disabilities.

We believe it is important to emphasise the fact that disability is an extremely wide concept, and that many so called “disability” issues result in improvements for all passengers. The environmental agenda is equally important to disabled people and many would prefer to use public transport than rely on car travel with its attendant pollution and parking issues.

As mentioned in the paragraphs below the latest estimates are that at least 10 million adults (with an approximate spending power of £38 billion) fall within the scope of the Disability Discrimination Act and should be seen as a business opportunity rather than a burden on the public transport infrastructure. Access to public transport including railways is especially important to the Department for Work and Pensions’ aspirations to encourage benefit claimants back into work.

An even larger number of the population would not consider themselves to be disabled but still have impairments that could benefit from improvements to the network such as clear signage and work on the improvement of wayfinding which can help with passenger flows and safe evacuation and we welcome the £150 million for 150 stations mentioned in the White Paper to help with such work that is not necessarily seen as exclusively for disabled people.

Finally DPTAC believe strongly that a robust easily bookable care system for passengers with disabilities, which customers can use with confidence, can result in greatly increased numbers of disabled people travelling. It will also result in improvements to reliability, running and dwell times and therefore make more efficient use of the rolling stock and the infrastructure network by reducing delays and overrunning of services resulting in an increased carbon footprint and penalty fines levelled by regulatory bodies.

In conclusion DPTAC welcomes the White Paper’s commitment to a joined up approach across all the transport modes, as especially in disability provision, the transport chain is only as robust as its weakest link and integration of service is key, especially at the interface between different modes where one failure can ruin a journey.
BACKGROUND INFORMATION ABOUT THE DISABLED PERSONS TRANSPORT ADVISORY COMMITTEE

The Disabled Persons Transport Advisory Committee (DPTAC) was set up by the Secretary of State for Transport under the Transport Act 1985, as an independent body, to give him advice about the transport needs of disabled people.

The Committee is made up of 20 Members and a Chair, all appointed by Ministers. At least half of the members have to be disabled people (currently about 70% are). Committee members have wide range of experience of transport and disability. Members are not paid, apart from expenses.

We give expert advice on many transport issues with a view to improve access for disabled people. We also carry out independent research on disabled people and their use of transport, with the aim of promoting a more inclusive society.

Disabled people and those with a long-term illness account for some 17% of the population or about 10 million people, including people with limiting longstanding illnesses. Of these 4.6 million are over state pension age and 700,000 are children.1 While more children are being born and living with impairments than ever before,2 levels of disability do increase with age. The Department for Work and Pensions estimated in 2004 that in the UK disabled people’s spending power is around £80 billion each year.3

Furthermore, disabilities include physical, sensory and mental and learning impairments, as well conditions such as restricted growth and facial disfigurements. Multiple impairments are common, as illustrated by prevalence figures indicating that a third of disabled people report sensory deficits, a third report learning difficulties, half report mobility problems and roughly as many report impaired physical coordination.4

We appreciate that disabled people are not a homogenous group with identical needs. The needs of people with mental health problems or learning disabilities are often distinct from those of wheelchair users for example. Even among people with similar impairments, needs vary. For example, profoundly deaf people will not benefit from induction loops.

We recognise that disabled people live throughout the community. One in four households has a disabled resident.5 The need for access for disabled people is not limited to specific areas, but is present throughout the wider transport system.

The aim of DPTAC is to “ensure that disabled people can travel where everyone else goes with the same quality of travel experience, at no greater cost, and encountering no additional barriers. We want to ensure that significant changes occur to transport before 2020.”

Our purpose, through which we shall achieve our aim, is to advise the Secretary of State for Transport on the transport needs of disabled people and to work closely with other government departments including devolved administrations in Northern Ireland, Scotland and Wales. We represent the views of a broad range of disabled people and give credible advice, including responding to wide range of consultation, regulations and guidance on various policies and initiatives.

January 2008

Memorandum from The Institution of Railway Operators (RWP 64)

1. SUMMARY

1.1 The Institution of Railway Operators (IRO) is a professional body aiming to promote the role of railway operations as a discipline, and providing education for those wishing to develop in the profession.

1.2 The IRO regards capacity as the principal challenge for the railway industry over the next 30 years and probably beyond, to support sustainable economic growth and access to employment by meeting the nation’s transport needs particularly around London and other major cities.

1.3 Rail capacity, however, is not simply a function of the technical assets provided, but crucially of how they are used. This requires effective planning of operations and iteration between engineering and operations disciplines during project specification and development.

1.4 It is difficult to identify a single source of constraints on utilisation of the national network which if eased will unlock significant additional capacity. It is inescapable that major capacity increases will call for significant investment, and the rail industry must accept rigour in project appraisal and in its operating practices to exploit this effectively.

1.5 In the short/medium term, we regard the area most likely to offer returns in terms of capacity per unit of capital investment as signalling. Although some of the claims made for ETCS are very optimistic and based on simplistic definitions of capacity, opportunities will exist to ease critical constraints if ETCS is applied effectively and with an understanding of how it can be exploited in an operations plan. Effective exploitation will also involve changes to operating standards and practices.

1.6 We endorse the emerging conclusion of the Rail Technical Strategy that lengthening of trains is likely to be more cost-effective than adoption of double-deck trains. Moreover, in analysis so far, the impact of disruption during enabling works for double-deck trains appears to us to have been understated.

1.7 Electrification per se will not result in significant increases in capacity. However, where a few diesel trains operate in an otherwise-electrified area, completion of electrification may support more efficient operating plans for termini, and allow an increase in the number of trains.

1.8 A similar effect will be found through reducing the range of different diesel types to be found at non-electrified terminals, and this may be particularly beneficial at major regional locations.

1.9 In other respects, terminals represent one of the major constraints on network capacity, both in terms of trains and passengers. An integrated view of terminal design to optimise the relationship between passengers and trains should be a priority in future developments.

2. Background

2.1 The Institution of Railway Operators

2.1.1 The Institution of Railway Operators (IRO) was launched in May 2000, with three main objectives:

— to promote railway operations as a discipline and body of knowledge on a par with those of engineering and other professions;
— to spread best practice within the operations profession; and
— to fill an acknowledged gap in the provision of operating management knowledge for the future, by providing an educational programme for those who wish either to progress through the profession or to become more competent in their present job.

2.1.2 Our total membership is now over 1500, drawn from Train Operating Companies, Network Rail, London Underground, as well as suppliers and consultants to the industry and indeed from the DfT.

2.1.3 A formal Education Programme is now well-established, and is accredited by Glasgow Caledonian University’s Work-Based Learning Faculty. Successful students will be awarded a BSc Degree or Diploma of Higher Education, and more than 100 students have now set out on this programme. Subjects covered encompass management of safety, emergency and mishap management, planning and capacity, as well as specific aspects of economics, engineering, managing people and retail management.

2.2 Operations Planning and Network Capacity

2.2.1 To the intending passenger, the timetable is a statement of the trains that will run on a given day, and their planned journey times. However, the timetable is far more than that. The pattern of the train service dictates the number of vehicles that will be needed to provide those trains, and the numbers of crews required to work them. The mileage to be operated determines the cost of vehicle maintenance and the fuel consumed. In the short term, the shape of the timetable is constrained by the infrastructure; in the long term, the required train service defines the infrastructure requirement.

2.2.2 In a narrow sense, “operations planning” refers to the process of preparing a timetable, together with a plan for allocating resources to operate it—crews, rolling stock and locomotives. Taking a broader view of the subject, it can be seen as the basis of the process of capacity management—specifying infrastructure and equipment, and exploiting that infrastructure and equipment to provide capacity that can be sold to users.

2.2.3 Samuel (1961) makes the point that railway assets, be they infrastructure or rolling stock, do not have a fixed capacity, but that their capacity depends upon how they are used. That is just as true today as then, and this is where Operations Planning comes in. The task of the operations planner is to design a train service which exploits capacity efficiently, attracts revenue, and minimises costs.

1 Samuel, H, Railway Operating Practice, Odhams, 1961.
2.2.4 The IRO defines capacity as “the number of trains that can be incorporated into a timetable that is conflict-free, commercially attractive, compliant with regulatory requirements, and can be operated within the laid-down performance targets in the face of anticipated levels of Primary Delay”.2

2.2.5 This definition is specifically related to the ability of the railway to carry trains, rather than the capability of the trains to carry passengers or a freight payload. The capacity of the complete system to fulfil its ultimate purpose is of course a function of both.

2.2.6 Capacity in particular is both a key issue for the rail industry and an issue fundamental to (and often determined by) operations more than pure technical factors, and the DfT’s recent Rail Technical Strategy included a contribution from us as to the nature and sources of capacity and means of enhancing it.

2.2.7 It is on the specific issue of capacity that we would like to offer evidence to the Transport Select Committee, but also offer supporting comments on the related issues of electrification, terminals and High Speed Lines.

3. Capacity

3.1.1 It is difficult to identify a single source of constraints on utilisation of the national network which if eased will unlock significant additional capacity. This is because where major constraints such as infrastructure limitations occur on a given route, other elements of the infrastructure have evolved to eliminate unusable capacity and have thus tended to become almost as restrictive. For instance, although the outstanding capacity constraint on the East Coast Main Line is the Welwyn tunnels and viaduct, the flat junction at Hitchin, track layout at Peterborough and number of lines approaching Kings Cross would become limiting even if the Welwyn bottleneck were to be eased.

3.1.2 We therefore feel it is inescapable that major capacity increases will call for significant investment, and the rail industry must accept rigour in project appraisal and development to exploit this effectively.

3.1.3 We regard capacity as the principal challenge for the railway industry over the next 30 years and probably beyond, to support economic growth by provision of capacity to meet the nation’s transport needs in a sustainable way.

3.2 Signalling

3.2.1 Given the broad shape of the present civil engineering infrastructure as a starting point, we believe the area most likely to offer capacity benefits from investment is signalling. The impending adoption of the European Train Control System (ETCS) as the standard form of signalling for the UK presents an opportunity to enhance capacity, so long as specification and development of schemes is conducted as a joint process with the operations function.

3.2.2 These opportunities result primarily from:

— cab signalling, which will decouple signalling block lengths from physical constraints on location of lineside signals which may inhibit the view of an approaching driver;

— shorter signalling blocks once dependence on lineside signals with their limited number of aspects is avoided;

— ability to distinguish in the signalling system between fast and slow trains, and lock signalling blocks ahead of each train only as far as necessary to offer braking distance for its own maximum speed. This contrasts with lineside signalling which is designed to offer braking distance for the fastest trains but effectively enforces the same distance-separation on slower ones; and

— the capability for Automatic Train Protection, which may allow signal overlaps to be reduced or eliminated.

3.2.3 However, these opportunities apply largely to line headways, that is, the time-separation between trains of the same characteristics on individual lines. Limitations on utilisation on capacity will still arise from network factors such as:

— mixing fast and slow trains on the same line, which is necessary if a local or stopping service, or freight trains, are to run on the same tracks as high-speed trains; and

— ability of terminals to accept and despatch trains, which is a function of the layout of the approach tracks, the number of platforms, and the time taken to unload, load and prepare the train for departure.

2 Primary Delay is delay incurred as a direct result of an incident, as opposed to Secondary Delay which connotes delay caused to other train remote from the incident by a train that has suffered Primary Delay. Primary Delay is largely a function of asset reliability, operating discipline in provision of resources as planned, and of external events, whereas Secondary Delay is a function of complexity of the network, intensity of utilisation, and the appropriateness of train prioritisation both as a policy and in practice. Both Primary and Secondary delay can be mitigated by the control and management response to incidents.
3.2.4 Some extremely optimistic claims for the capacity advantages of ETCS have been made, but these tend to neglect network constraints such as those outlined above. We believe that a suggestion of a 10% increase in capacity due to ETCS is very much at the upper limit of plausibility. The eventual figure is almost certain to be less, and even that may depend upon other enabling works such as alterations to station and junction layouts.

3.2.5 We suggest that the greatest benefits will be found:

— on lines where trains of similar characteristics and stopping patterns run in sequence, as separation between trains can be reduced, so long as this reduced separation can be maintained at junctions and termini;

— at junctions where fast and slow trains interact, as the length of time for which a slow train locks out the junction can be significantly reduced as route ahead is set only for its required braking distance and not for a “worst case”; and

— on routes used intensively by a mix of freight and passenger trains, where punctuality typically depends upon keeping the freight trains moving. ETCS should have the capability to advise drivers of a speed that will enable them to reach a junction coincidentally with a path between other trains, rather than run at a speed which, albeit safe in terms of braking distance, will lead to them being stopped to await a path.

3.2.6 The last of these points also offers significant environmental benefits through reduction of fuel expended on avoidable stop-start cycles.

3.2.7 Even where headways on open line are currently as low as can be achieved with conventional signalling, it is frequently found that a long tunnel without intermediate signals results in a long signal section that then sets the binding headway for a route. Examples are Watford Tunnel on the West Coast Main Line, and tunnels approaching Kings Cross on the East Coast Main Line. Placing signals in tunnels has traditionally been avoided as they are difficult to access for maintenance, and in some cases for sighting reasons.

3.2.8 In addition, there has been a general opposition to placing signals in tunnels so as to avoid any risk of a train being stopped in a dark and confined space and possibly unnerving the passengers. This may have been valid in the days of passenger-opened doors, closed compartments and poor lighting, but given central control or locking of doors, open-plan coaches, modern lighting and public-address systems, should no longer be a concern.

3.2.9 ETCS will largely avoid issues of maintenance access and sighting, but if exploitation of ETCS is not to be inhibited by the same factors in this respect as conventional signalling, residual resistance by train operators and HMRI to the possibility of trains being stopped in tunnels needs to be overcome. We understand that a current resignalling scheme in the case of Clay Cross Tunnel, on the intensively-used section of the Midland Main Line between Derby and Sheffield, has met just such resistance.

3.3 Train lengthening versus double-deck trains

3.3.1 The emerging conclusion referred to in the Rail Technical Strategy is that lengthening of trains is likely to prove a more cost-effective approach than adopting double-deck trains. We believe this conclusion is credible. A major factor in this choice is that double-deck trains do not offer anything like twice the capacity of single deck trains, owing to space taken up by stairways in standard-length coaches. We are aware of work for Transport for London\(^3\) that finds that unless 26- or 27-metre coaches can be used (which brings further issues of clearances around curves), the increase in capacity of double-deck over single-deck is only likely to be around 12.5%.

3.3.2 Even so, a factor in the choice that we do not believe has been given sufficient weight is the disruption to rail services during enabling works. Whilst some disruption is inevitable both for train-lengthening and double-deck trains, the disruption associated with enabling works for double-deck trains is likely to be extreme.

3.3.3 Take as an example the South West Trains network serving London’s Waterloo station. At first sight this network appears an ideal environment for double-deck trains to show to good advantage, as it is relatively free of tunnels. However, at Queenstown Road (about 2.5 miles outside Waterloo), the lines into Waterloo are bridged by three other rail routes, two of them major (Victoria—South London and Sussex Coast route, and Victoria—South-East London and Kent route. Thus reconstruction work to raise these viaducts would close not just the Waterloo lines but the Victoria lines as well. A particular difficulty in the case of the Victoria South London route is that this serves many of the same locations as the Waterloo lines, and thus not only the principal route but the alternative route would be closed simultaneously.

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\(^3\) South West Trains Rail Corridor Plan, Transport for London (London Rail), 2005.
3.4 Electrification

3.4.1 We see many benefits in electrification that may combine to present a favourable business case, but increased capacity is not a strong argument. We understand that oral evidence to your Committee suggested that electrification would increase capacity. Our view is that this suggestion is not valid in general, but does contain an element of truth in some specific circumstances, and calls on operations planning to exploit it.

3.4.2 The original suggestion made to you is probably based on the higher acceleration that is traditionally regarded as characteristic of electric traction, which can act to minimise loss of running time at station stops and speed restrictions, and thus allow shorter separation between trains. However, the difference between electric traction and modern diesel traction is minimal, and unlikely to be material on a general-purpose railway where capacity is typically limited by non-technical factors such as the difference in speeds between different types of train, and the ability of terminals to accept and despatch trains.

3.4.3 However, where terminal capacity is now the binding constraint on utilisation of a route, this might be impacted positively by electrification “infill” schemes that eliminate diesel traction from an otherwise electrified area. Utilisation of terminal capacity is typically maximised when the same turnround time applies to all trains so that a regular pattern of arrivals and departures can be planned, fully exploiting “parallel moves”. In London, this is best seen at Charing Cross during the peak hours. However, any tendency for different types of rolling stock to be confined to specific routes, and thus not be able to use the full range of departure opportunities, disrupts this regular pattern, and results in inefficiency in terminal utilisation out of all proportion to the number of such trains.

3.4.4 Specific examples in London would be:

— London Bridge terminal platforms, where a small number of diesel services run to/from the Uckfield line. We consider it possible that electrification of this minor route, giving standardised turnaround times once trains can arrive from any route and depart to any other, would allow an increase in the number of trains that could be handled in peak hours. This may be critical in facilitating operations on a reduced number of through platforms after implementation of the Thameslink project;

— Similarly, at Waterloo, the small number of diesel trains to/from the Salisbury/Exeter line takes up platform capacity out of proportion to their numbers, and, by allowing interworking of rolling stock between routes it is possible that more trains could be platformed.

3.4.5 Similar effects might well be found at non-London locations such as Manchester and Glasgow.

3.4.6 A further benefit in such cases would be an overall reduction in the rolling stock requirement due to greater efficiency of operation through interworking.

3.5 Terminals

3.5.1 Particularly at non-London locations an additional factor inhibiting efficient utilisation of terminal capacity is the number of different types of diesel vehicle, many of which are limited in the sub-sets of services they can operate. Standardisation even of a diesel fleet would allow more efficient utilisation of terminals.

3.5.2 Ultimately, removal of network constraints imposed by terminal capabilities calls for avoidance of terminals, for instance by linking routes end to end such as was done by the Thameslink Project in the late 1980’s, and will be done by Crossrail and the current Thameslink Programme. In such cases doubt is often expressed as to the risk of “imported delay”, where a delay on one route potentially impacts on the other. However, especially in the case of the Thameslink Programme, we are confident that the benefit of separation of flows of traffic allowed by the proposed infrastructure outweighs the risk of imported delay. Indeed, many performance risks are small compared with the potential benefits of ongoing good planning and management day by day.

3.5.3 For both commuter and long-distance services, design of passenger flows and facilities at terminals may be at least as crucial as pure train operating aspects:

— A commuter terminal should have accesses at both ends of the station to encourage passengers to distribute themselves along the train, rather than concentrating in the front coaches which apart from the discomfort will be severely detrimental to dwell times at stations (for example, as is seen now at London Bridge through platforms);

— A long-distance terminal should be designed so as to bring boarding passengers as close as possible to their train while they await opening of the train for boarding, and again accesses should be provided at several points along the train so that passengers do not have to walk its full length to find their seats. This concept implies that passengers board by way of a raft over the platforms, on which proper waiting facilities are provided. In this way the short turnrounds that are operationally feasible and maximise terminal utilisation, but that imply relatively late access to the train, can be made more acceptable to passengers.
3.6 North—South High Speed Line

3.6.1 Much as we would like to see a North—South High Speed Line, there is merit in the argument that there are significant middle-rank locations between major cities that should be served by main line trains, and that frequency of service is at least as significant as pure journey time in attracting traffic to rail.

3.6.2 The best solution for the UK context, therefore, could well be to aim to provide capacity on classic lines for frequent trains between major locations, also serving intermediate locations. Freight services on existing main lines are a major barrier to this, whilst themselves suffering in terms of journey time from limited pathing opportunities between passenger trains. If there is to be new construction or expansion of the UK network, a valid approach to long-term investment well worth considering would be to focus this construction on links that remove freight trains from classic main lines and provide dedicated freight routes on key corridors.

3.6.3 In principle, this approach should offer comparable benefits to construction of new passenger lines, and should be cheaper, as new sections of route would not have to be engineered for high speed, offering greater choice of alignment including greater potential for exploitation of disused or under-used rail alignments. Whilst freight trains may be subject to more roundabout routes, their actual transit time, with its implications for resource utilisation, may reduce when given a free run on dedicated routes.

February 2008

Further memorandum from The Institution of Railway Operators (RWP 64A)

1. SUMMARY

1.1 The Institution of Railway Operators (IRO) is a professional body aiming to promote the role of railway operations as a discipline, and providing education for those wishing to develop in the profession.

1.2 We understand that on 5 March you took oral evidence from Transport-Watch. This evidence drew comparisons between a bus lane in New York and the suburban rail system approaching London Victoria, with the implication that the rail system should be converted to a busway.

1.3 We consider that the comparison made is invalid, as it compares a continuous flow of road coaches with a comprehensive rail network operation including station stops and converging/diverging junctions, and so the implied conclusion is seriously flawed.

1.4 The capacity claimed for a bus lane is well within the scope of a conventional rail line. However in both cases factors such as station stops and junctions will reduce the capacity of a network of lines. The capacity of a comprehensive rail network will at least equal that of an equivalent road-coach operation on the same alignment and serving the same routes.

1.5 Enhancements to increase the capacity of the rail system serving London Victoria have been considered by Transport for London and are expected to cater for forecast future demand to 2025. More extensive enhancements such as 12-car trains and increased frequencies are possible beyond then as and when required by demand.

2. THE INSTITUTION OF RAILWAY OPERATORS

2.1 The Institution of Railway Operators (IRO) was launched in May 2000, with three main objectives:

— to promote railway operations as a discipline and body of knowledge on a par with those of engineering and other professions;
— to spread best practice within the operations profession; and
— to fill an acknowledged gap in the provision of operating management knowledge for the future, by providing an educational programme for those who wish either to progress through the profession or to become more competent in their present job.

2.2 Our total membership is now over 1500, drawn from Train Operating Companies, Network Rail, London Underground, as well as suppliers and consultants to the industry and indeed from the DfT.

2.3 A formal Education Programme is now well-established, and is accredited by Glasgow Caledonian University’s Work-Based Learning Faculty. Successful students will be awarded a BSc Degree or Diploma of Higher Education, and more than 100 students have now set out on this programme. Subjects covered encompass management of safety, emergency and mishap management, planning and capacity, as well as specific aspects of economics, engineering, managing people and retail management.
3. **Oral Evidence from Transport-Watch**

3.1 We understand that Transport-Watch described to you a bus lane in New York which routinely conveys 30,000 passengers per hour. As we have no specific knowledge of this bus lane we take this at face value.

3.2 In fact, 30,000 passengers per hour is well within the technical capacity of a rail route:

- The Central Line of London Underground is designed for 36 trains per hour per direction, each catering for (depending upon the loading conditions considered acceptable) over 1,000 passengers.

- On the National Rail network, the approaches to Charing Cross station feature a section of double track, of which the one Up direction track carries 30 trains in the busiest 60-minute period of the morning peak. The number of passengers thus catered for depends on the extent of standing accepted and the number and type of vehicles on each train. However, 10-car trains of the standard suburban rolling stock for the route would offer 834 seats each, with accommodation for 292 standing passengers. This equates to over 33,000 passengers per hour.

3.3 These two cases are extremes, but serve to show what can be done. In practice, capacity of rail routes may be reduced from theoretical maximum for lines in isolation by such factors as:

- stopping at intermediate stations so that dwell time adds to the technical separation between trains;
- running of selected through trains amongst a series of stopping trains, to minimise journey times;
- at-grade junctions where a train on one route may prevent movement of trains on other “conflicting” routes; and
- running trains of less than full length because of limitations on specific routes in the network.

3.4 Comparison was then made with the rail route approaching London’s Victoria station.

3.5 On the routes from Sussex and South London to Victoria, the station is served by four tracks (two for each direction). In the morning peak hour, 15 trains arrive on the Up Slow line and another 12 on the Up Fast line (the Down Slow and Fast lines carry the contra-peak service of empty coaching stock and a public service appropriate to the demand):

- At the current maximum train length of 8 coaches, the Up Slow line provides for 620 seats per train, equating to 9,300 seated passengers with accommodation for another 3,255 standing in the hour.

- At the current maximum train length of 12 coaches, the Up Fast line provides for 798 seats per train, equating to 9,576 seated passengers in the hour, plus, in so far as short distance passengers are catered for, for instance from East Croydon, a further 3,352 standing.

3.6 Thus at present the two London-bound tracks of the 4-track route from Sussex and South London provide for just over 25,000 passengers per hour compared with the 30,000 claimed for the single New York bus lane.

3.7 Enhancements to increase the capacity of the rail system serving London Victoria have been considered by Transport for London and are expected to cater for forecast future demand to 2025. More extensive enhancements are possible beyond then.

3.8 This analysis leads to two questions:

- how can the passenger capacity of the route be increased within the scope of rail technology, to meet future demand? and

- could the passenger capacity of the route be increased more effectively by conversion to a road dedicated to commuter coaches?

4. **Increasing Capacity of the Rail Route**

4.1 We take it that the suggested conversion to busway should apply only to the Slow lines, as it is extremely unlikely that a road-coach operation could match the journey times offered by the longer-distance trains (it is true that frequency could, and would have to, increase, somewhat offsetting the longer journey time). Thus only the capacity of the Slow Lines is considered here.

4.2 The obvious step towards increasing capacity of the rail service on the Slow lines is to increase the length of trains to 10 or 12 cars. We understand that Transport for London, in planning to 2025, have found that forecast demand would be catered for by 10-car operation within the present service pattern, and require relatively little investment.

4.3 Costs of infrastructure for 12-car operation would be more significant, but not a mega-project such as the West Coast Main Line Upgrade, and would call only for conventional technology. Some stations on viaducts, such as Battersea Park, would call for major alterations, but Victoria station already provides a 12-car capability, as do other key locations such as East Croydon and Sutton.

4.4 12-car operation would increase the capacity of the present service to 18,822 passengers per hour (seated and standing).
4.5 As and when further capacity is required, it would be possible to run additional trains. The principal issues are:

- feasibility of additional trains at the London terminus, largely determined by the number of platforms;
- feasibility of additional trains en route, largely determined by the signalling and by station stops; and
- feasibility at the out-of-town terminals, largely determined by track layouts and junction layouts where routes diverge/converge.

4.6 At London Victoria, the Slow lines are catered for by four platforms, each of which handles on average just less than four trains in the peak hour. At Charing Cross, platforms handle six trains per hour. Prima facie, this comparison suggests that the train service at Victoria could be increased by 50%. This would bring the service level to 24 trains per hour.

4.7 En route, the signalling currently allows for 30 trains per hour, which in practice is reduced by dwell times at major intermediate stations such as Clapham Junction. Network complexities at junctions and out-of-town terminals will further reduce that figure, but with some layout alterations, and some redesign of signalling, exploiting the potential of cab signalling and radio-based signalling such as offered by the European Train Control System (ETCS) Level 2, all in all we suggest that 20 trains per hour arriving at Victoria off the Slow lines is a reasonable objective.

4.8 The net effect is that the present capacity of the Slow lines to carry passengers could be increased by 50% through train lengthening, and increased again by 25% by running additional trains, leading to an overall capacity of 23,540 passengers in the peak hour into London, seated and standing. This equates to 420 road coaches, or one every 8.5 seconds. Further capacity increases would require radical infrastructure or rolling stock changes.

5. Busway Alternative Operations

5.1 The quoted capacity of 30,000 passengers per hour derives from a continuous flow of vehicles using a single lane. Many of the factors detracting from theoretical rail capacity would also apply to a network of coach services if using the same alignments. Overall, the capacity of a comprehensive road-coach network even on railway alignments will be well short of this figure.

5.2 Coaches would presumably have to stop at stations just as trains do, and the boarding/alighting times would add to separation between successive vehicles. Whilst inevitably almost all coaches would be full after calling at just one or two stations, there would be no chance to overtake stationary vehicles due to limitations on the width of alignment (much of the route is in cutting or on viaduct), so no journey time benefit would result.

5.3 If, however, the opportunity to run fast once a vehicle is full is to be exploited to provide reduced journey times, the network capacity is severely reduced by speed differentials between fast and stopping services. Currently the rail service provides relatively small speed differentials as most trains stop at most stations. Capacity of a road operation would suffer severely as at any one point most vehicles would be full and wanting to run fast, whilst a smaller number would be needing to make stops.

5.4 The present rail service pattern, with most trains stopping at most stations, caters for commuting to en-route locations other than central London. Whilst passenger numbers may be small compared with the flows to central London, they are still significant and must be catered for, and so all station to station flows must be provided for. Thus rather than filling after only one or two stops, some vehicles in the service would need to be reserved to serve all stations or a selection of stations only. For these non-London flows, the service frequency may be effectively reduced compared with the rail operation.

5.5 Whilst some grade-separated junctions are already provided, and further grade-separation for road vehicles may be cheaper than for trains, restricted alignments in built-up areas mean that some at-grade junctions will remain. Given the intended intensity of operation, it is inevitable that these would have to be signalled rather than worked on sight, which both reduces capacity and extends journey times.

6. Other Issues

6.1 The Slow lines are currently used by freight services, mainly aggregates, during off-peak periods. A capability has also been planned for freight to/from the Channel Tunnel, although this has not yet had to be implemented to meet prevailing traffic levels. Freight use would of course not be possible after conversion to busway, and capacity for the freight services does not exist on the Fast lines due to speed differentials between freight trains and through passenger trains. This freight if displaced to road as a consequence of conversion would have severe environmental impacts.

6.2 Some services currently run onto the Slow lines from other parts of the national network so as to provide through journey opportunities, for instance between Watford and Gatwick Airport. Either this will become impossible, diverting passengers to travel via Central London, or the conversion to busway would have to become more extensive.
6.3 The South London rail system operates as a network, with trains interworking on the various routes to maximise utilisation of capacity especially and terminals. Selecting one or two routes out of the network for an incompatible operation will reduce the efficiency of the rest of the network.

6.4 At some points long-distance and inner suburban trains share the same tracks for operational reasons. For instance, long-distance rolling stock is stabled at Selhurst depot and needs to use or cross the slow lines to enter or leave service. A level crossing with the proposed road operation would be impracticable so either the depot must be relocated or grade-separation provided for.

6.5 A road coach operation is effectively dependent upon the internal combustion engine, whereas an electric rail operation has no emissions at point of use.

7. Conclusion

7.1 The comparison made by Transport-Watch between road and rail capacity is invalid, as it compares a continuous flow of road coaches along a single lane with a comprehensive rail network operation including station stops and converging/diverging junctions.

7.2 The capacity claimed for a bus lane is well within the scope of a conventional rail line. The capacity of a comprehensive rail network will at least equal that of an equivalent road-coach operation on the same alignment.

7.3 The South London rail network serving Victoria station can be developed at relatively small cost to provide capacity forecast to be adequate to 2025 and even beyond.

7.4 Conversion of selected railway alignments to roads jeopardises network benefits for through journeys and for freight, reduces efficiency of the remaining rail network, and incurs costs for physical separation of road and rail flows.

7.5 We have made no assessment of costs of conversion of the rail route for road vehicles, but simply note that conversion will require significant expenditure which must be compared with the investment required to enhance rail capacity to meet demand.

April 2008

Memorandum from Merseytravel (RWP 65)

1. Introduction

1.1 Merseytravel is a public body comprising the Merseyside Passenger Transport Authority and the Merseyside Passenger Transport Executive (PTE), acting together with the overall aim of providing a single integrated public transport network for Merseyside which is accessible to all.

1.2 Merseytravel is delighted to have the opportunity to submit this memorandum to the Committee.

1.3 The Secretary of State for Transport Ruth Kelly hailed the Rail White Paper as “the most ambitious plan for expanding the railways in 50 years.” The Government’s high aspirations for the future of the national rail network are refreshing and the White Paper contains some useful measures to try to plan for the growth in passenger numbers on the railways rather than simply managing growth.

1.4 The Rail White Paper policy announcements are broadly welcomed by Merseytravel. We will work with the relevant industry players to deliver the Rail White Paper’s innovative solutions for passengers.

1.5 However, there are some gaps in the proposals where we feel that our own innovative plans for the Merseyrail Electrics network have been marginalised. These gaps are considered in this consultation response.

2. Capacity and other enhancements

2.1 The increase in passenger numbers has been a major challenge for the industry. As such, we broadly welcome the proposals to enhance capacity on the network. In this regard, we support the plans to extend rolling stock on the trans-Pennine route, and generate a capacity increase of 30 per cent. It is also pleasing to note that it is planned that journey times between Liverpool and Manchester be reduced to 40 minutes.

2.2 However, the proposals do not get the right balance between spending on projects in the south east and developing major urban rail networks in the regions. Suburban regional networks are experiencing the fastest rate of growth.¹ Notwithstanding, the south east is the major beneficiary of funding for capacity

¹ This is supported by ATOC’s 16 February 2007 press release: http://www.atoc-comms.org/dynamic/atocpress-story.php?atoc=997797
enhancement and other upgrade projects. There has to be a realisation that if the whole of the country is to benefit then the focus cannot be solely on the South East. This is especially true if we are to deliver economic benefits and make the most of economic opportunities in cities outside of London.

2.3 This failure of emphasis is exemplified by Network Rail’s failure to prioritise much-needed capital enhancements at Liverpool Lime Street station. Network Rail is the owner and operator of this major station. Despite numerous requests, Network Rail has failed to upgrade this important interchange. This clearly demonstrates how the investment in rail in the Merseyside region has been marginalised. A major upgrade of the station could have huge potential as part of the regeneration of the city of Liverpool and the wider Merseyside region. Despite the Liverpool 800th anniversary year and the Capital of Culture celebrations next year, Network Rail has confirmed that it does not believe that there is a business case for further capital investment. Money being invested in the station is being provided primarily by Merseytravel and Virgin Trains.

2.4 This is an extraordinary position for Network Rail to have taken. As evidenced by the newly refurbished St Pancras Station, a major station upgrade can act as a catalyst for urban regeneration. Furthermore, and disappointingly, the opportunity for synergies with many of Liverpool’s exciting urban renewal projects may be lost. The city of Liverpool is experiencing a period of unprecedented growth and vibrancy, and as such there is customer demand for it to be served by a world class major railway station fit for its future role in the 21st century. Merseytravel will continue to work with Network Rail and the Department for Transport (DfT) to ensure that these aspirations are achieved.

3. Delivering a Sustainable Railway?

3.1. Devolution

3.2 We believe that greater local control is the way forward on addressing our concerns on regional prioritisation and Network Rail’s centralised approach to planning. This is consistent with the Government’s emerging policy position and we are encouraged by the statement in the Rail White Paper that:

3.3 “There is potential for cities and city regions to have greater say in how rail is planned and delivered in their areas. The operators of the railway must reflect such development and progressively allow for greater city or city-region interests.”

3.4 In the context of the discussion of the future role of PTEs in relation to rail, we are also pleased to note the following statement:

3.5 “Further devolution in England is possible within the current framework.”

3.6 We understand that any enhanced role for PTEs in rail will be implemented through the Local Transport Bill (LTB) reforms. Merseytravel will work constructively with the DfT to both develop and implement the new LTB governance arrangements. However, we believe that the new LTB powers should not be restricted to the funding of services or vehicles, but should instead include the rail infrastructure (stations and track). This is at the heart of Merseytravel’s Full Local Decision Making (FLDM, or vertical integration) initiative. FLDM secures the transfer of Network Rail’s responsibilities for the control and maintenance of the railway infrastructure on the Merseyrail Electrics lines to a locally managed scheme though Merseytravel and its concessionaire Serco-NedRailways.

3.7 We also see FLDM as an innovative mechanism for addressing the disjuncture between local requirements and what Network Rail decides centrally and regionally. Our proposals for FLDM are discussed in more detail below.

3.8 FLDM as the way forward

Background

3.9 Merseytravel, together with Merseyrail Electrics, devised a business case arguing for FLDM detailing its benefits for Merseyside. The business case was developed in conjunction with the Office of Rail Regulation (ORR) and was presented to the Government in February 2006 for consideration. Merseytravel was keen to work with Network Rail on this process, however, at no point did they engage constructively and comply with requests for information (despite numerous attempts).

3.10 The business case detailed substantial performance enhancements which would be secured if Merseytravel were given control of the infrastructure, and savings of around £33 million. The improvements generated by FLDM will be achieved through an improved maintenance and renewals regime made possible by the integrated management of trains, stations, track and signals, with decisions made at the local level. In addition, it will be possible to co-ordinate more effectively with other modes of transport, particularly in regards to maintenance programmes.

3.11 Whilst recognising that performance could be improved, Network Rail, in its letter of reply (7 April 2006) decided not to proceed with FLDM.
Control of the infrastructure

3.12 FLDM would, for instance:

— Allow local decisions to be made on the basis of local need and with the speed of action needed.
— Deliver long-term, improved levels of maintenance and renewals.
— Deliver efficiencies through the integration of the maintenance and operations functions.
— Provide greater understanding of the requirements of the network and response times.
— Improve asset recording, renewal and possession planning.
— Deliver a more efficient structure for the delivery of planned major investments in the network including the upgrading of stations.
— Allow greater co-ordination with other modes.

Local responsibility

3.13 Since responsibility for the Merseyrail Electrics franchise was transferred from the (former) Strategic Rail Authority to Merseytravel, the performance of the concession has improved substantially. The Public Performance Measure (PPM) standards at 92.5% for Merseyrail Electrics compared with 88.1% for the industry as a whole (ORR figures). Before the concession was returned to Merseytravel, the PPM was 82%. Merseyrail Electrics has also benefited from the lowest fare increases of anywhere in the country.

3.14 Local control has delivered greater investment and enabled decisions that better reflect local priorities. The entire fleet has been refurbished; a major £32 million state-of-the-art interchange opened at Liverpool South Parkway; and other stations refurbished (with Secure Station status for 40% of the stations, every station staffed from before the first train until after the last, and accessibility improved).

3.15 Merseytravel were obviously pleased to be mentioned in the Rail White Paper in relation to best practice in working with passengers. This is an area where Merseytravel has placed much attention in recent years. We believe that the innovative franchise arrangements we have in place have made a significant contribution to this, providing the time and incentives for the franchisee, Serco-NedRailways, to work with us in engaging with passengers.

3.16 The biggest restriction on further performance improvements is Network Rail’s poor performance as the Mersey Electrics infrastructure manager. We believe that can be affectively addressed through FLDM.

Network Rail performance

3.17 There are serious weaknesses in Network Rail’s stewardship of the network. This has a consequential impact on network performance. These failures are bourn out by ORR’s Network Rail Monitor document (Q1 2007–08) (the Network Rail Monitor). The Network Rail Monitor observed that “Network Rail’s management of its infrastructure assets continues to show considerable variation in performance . . . there are few signs of recovery where asset performance is poor.”

3.18 The Network Rail Monitor also noted the top six categories of infrastructure incidents by delay minutes as being caused by: track faults (including broken rails), points failures, track circuit failures, signalling systems and power supply failures, other infrastructure failures and signalling failures. Regrettfully, this pattern of poor Network Rail performance is something that we have experienced on the Merseyrail Electrics Network.

3.19 Indeed we were also concerned to note that the ORR chief executive Bill Emery recently commented that, “Too many trains are being delayed and cancelled because of infrastructure problems that are the responsibility of Network Rail.”

3.20 One recent example on Merseyside provides a clear demonstration of the problems we face. This has arisen in the context of severe wheel wear problems on the MerseyRail Electrics Network. We have suffered accelerated wheel wear problems on the 59 trains we have to operate the system. The amount of train cancellations has been huge, with our normal 15 minute journey increased to 30 minutes and the two car set “strengtheners” removed altogether. This has caused much inconvenience to passengers and is costing the economy of Merseyside. Unfortunately, getting to the bottom of this problem is proving extremely difficult and Network Rail has not played an active role. Incidentally, this problem has arisen on the stretch of track recently replaced by Network Rail.

3.21 Furthermore, Network Rail’s ability to deliver enhancements to its network has been called into question. The ORR recently fined Network Rail £2.4 million for poor performance on the Portsmouth signalling project.
Wheel/rail interface

3.22 Merseytravel believe that many of Network Rail’s problems are derived from structural flaws in the operational separation of the wheel/rail interface. This can be observed from the following statement in the Network Rail Monitor:

3.23 “Network Rail attributes the increase in rail defects in part to the impact of new trains . . . arising from the higher contact stresses from heavier trains with stiffer suspension.”

3.24 Merseytravel’s FLDM proposals de-risk this kind of network failure as the same entity will have the responsibility for the procurement of infrastructure and rolling stock enhancements.

Benchmarking and governance

3.25 Network Rail’s key argument for not proceeding with FLDM was that it did not consider that Merseytravel had the necessary skills and equipment to take on the role of infrastructure manager. As evidenced by the recent Network Rail Monitor, Network Rail is in no position to claim superiority on its skills and experience. Indeed this argument works against Network Rail, as FLDM would also provide a useful benchmark for the ORR to measure and assess the performance of the wider national rail network.

3.26 The Office of National Statistics (ONS) has classified Network Rail as a private sector entity. As such, Network Rail is not a public sector body for the purposes of the public sector accounts and its debt does not count as public sector borrowing. In the past, Network Rail has also resisted FLDM on the basis that it would require the ONS to reclassify Network Rail as a public sector entity. It is thought that DfT and HM Treasury would resist any such reclassification as this would require Network Rail’s borrowings to be included as part of the national debt.

3.27 In determining that the ONS would automatically require reclassification, it is uncertain as to what assumptions Network Rail had made on the legal structure of our FLDM proposals. Notwithstanding, Merseytravel has considered the ONS’ classification decision (National Accounts Sector Classification of Network Rail (27 February 2004)) in some detail. We are of the view that there is sufficient flexibility in ONS’ requirements, that our proposals can be implemented in such a way that Network Rail can continue to comply with the relevant accounting standards, with no requirement for re-classification. Merseytravel will constructively engage with Network Rail and the ONS in order to demonstrate that this is the case.

Failure of “virtual” integration

3.28 Network Rail rejected Merseytravel’s FLDM proposals, claiming that “improvements can be delivered most effectively and efficiently through joint working between Network Rail, Merseytravel and Merseyrail.” This is the theoretical basis of Network Rail’s virtual integration concept. The practical reality on the ground is that there are no signs as yet of Network Rail delivering the required improvements in the infrastructure, despite some improvements in contact at the local level.

Merseyrail Electrics continues to lose about 100 trains a week as a result of infrastructure failures attributable to Network Rail and this was before the recent wheel wear problem.

4. Overall

4.1 We strongly support the Government’s objectives and aspirations for the future of the rail network. In this regard, Merseytravel will constructively engage with all relevant stakeholders in order to bring forward lasting benefits for the passenger. Where required, we are happy to benchmark and share our experience.

4.2 Merseytravel is an innovative forward thinking solutions driven organisation. Securing the wider socio-economic development of the Merseyside region is hardwired into our culture. Our objectives of social inclusion, urban regeneration and environmental protection can all be improved through the delivery of a more efficient railway. There are many other benefits that flow from a high quality railway at the heart of a single integrated transport network. As such, we fully endorse the Government’s wider policy initiatives to strengthen and integrate the role of PTAs and give them greater power to procure rail services. We see this approach as key to reforming the impact of Network Rail’s centralised approach to planning on the Merseyside region.

4.3 In its report on Passenger Rail Franchising (November 2006), the Committee recommended that vertical integration be piloted on a self-contained part of the network, such as the Merseyrail Electrics. Unfortunately in its reply to the report, the DfT rejected the idea of a pilot scheme, preferring instead to champion “virtual integration”. Virtual integration has not worked. In the context of Network Rail’s appalling performance, it is now time for step change and innovation through a pilot of FLDM on the Merseyrail Electrics network. It is important to emphasise that we are not calling for vertical integration
across the whole network, only on Merseyrail Electrics, which is a distinct and largely self-contained part of the network, similar to the London Underground network. Our plans do not represent a fragmentation of the national network.

_September 2007_

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Further memorandum from Merseytravel (RWP 65A)

**Delivering a Sustainable Railway—Supplementary Evidence**

Following the New Year delays, the Committee’s evidence session on this matter and its inquiry into _Delivering a Sustainable Railway_, we thought that the Committee may welcome an additional note from Merseyrail on these matters. This is in addition to our original submission to the inquiry.

We have recently responded to the Office of Rail Regulation’s review into Network Rail’s management of engineering projects and wanted to share our experience and thoughts with the Committee.

**Merseytravel’s Experience**

1. The New Year possession overrun at Rugby caused substantial disruption to passengers’ journeys at Liverpool Lime Street station and at the start of Liverpool’s Culture year. At a time when we are actively trying to encourage visitors, and particularly ‘08’ visitors, to the city to use public transport, the problems were particularly unwelcome. Our concern is that if network problems arise and engineering works overrun again then their significance will be magnified and will adversely affect the impression of Merseyside and the UK.

1.1 We believe that Network Rail failed to properly engage and communicate at an early stage with operators on the network and with the travelling public. These systematic failures resulted in unnecessary disruption to both the regional and national economy as it was too late for passengers and employers to make alternative arrangements.

1.2 We question whether Network Rail complied with its obligations under condition seven of its network licence in relation to stewardship of the railway network. This is of particular concern coming, as it did, so soon after the ORR’s July 2007 £2.4 million fine for Network Rail’s poor performance on the Portsmouth signalling project.

1.3 It is not our place to judge whether failures lie with the Network Rail or its contractors, in this case Bechtel. We do not believe that simply blaming contractors for the overruns is a sufficient explanation for the problems that occurred. If, as Iain Coucher stated to the Committee on 23 January 2008, Bechtel are “probably the best programme managers in the world” then the problems would appear to be more deep-seated.

1.4 What is clear is that Network Rail failed to consider and plan for the possibility of an extended overrun of these works and the consequential effect on passengers. There has to be a question as to whether a proper risk assessment was conducted and whether detailed contingency plans were either in place or were implemented properly.

**Suggested Next Steps**

2. Merseytravel believes that the West Coast Main Line upgrade project will bring lasting benefits for passengers and freight users. We are, therefore, committed to constructively engaging with Network Rail on the delivery of this major renewal and remodelling project.

2.1 Despite efforts to work closely together on-the-ground, the performance of Network Rail remains a concern on the distinct Merseyrail Electrics Network which we franchise to Serco-Ned Railways.

2.2 One recent example on Merseyside provides a clear demonstration of the problems we have faced. This has arisen in the context of severe wheel wear problems on the Merseyrail Electrics Network. We have suffered accelerated wheel wear problems on the 59 trains we have to operate the system. The amount of train cancellations has been huge, with our normal 15 minute journey times increased to 30 minutes and the two car set “strengtheners” removed altogether. The problem has been such that on the 23 August 2007 an emergency timetable had to be introduced. This has caused much inconvenience to passengers and significant cost to the economy of Merseyside. This problem has arisen on the stretch of track recently replaced by Network Rail.

2.3 We remain to be convinced that the current system of fining Network Rail for failures in performance is a viable long-term mechanism for ensuring standards and performance. A fine is simply a reallocation of public funds but possibly away from the rail network and into other parts of the public sector.

2.4 Merseytravel believes that the only way to secure innovation and deliver performance improvements is for infrastructure issues, such as renewal and maintenance, to be dealt with at the local level.
2.5 At Merseytravel, we believe that structural reforms are required to the governance of the Merseyrail Electrics network in order to secure the effective stewardship of our network. Many of the problems that we have encountered with Network Rail are derived from structural flaws in the operational separation of the wheel/rail interface.

2.6 This is at the heart of initiatives towards vertical integration (or Full Local Decision Making, FLDM) which aims to secure the transfer of Network Rail’s responsibilities for the control and maintenance of the railway infrastructure on the Merseyrail Electrics lines to a locally managed scheme through Merseytravel and its concessionaire Serco-NedRailways.

2.7 We also see FLDM as an innovative mechanism for addressing the disjuncture between local requirements and what Network Rail decides centrally and regionally. Merseytravel is at the heart of driving the regeneration of the Merseyside region, any such recognition of strategic and integrated socio-economic concerns is totally lacking in Network Rail’s stewardship of the network.

2.8 We have discussed our proposals for FLDM with the Committee in detail previously and yet despite your previous recommendations to trial vertical integration on a self-contained part of the network, such as on Merseyside, Network Rail has steadfastly refused to give meaningful consideration to the idea.

2.9 We remain convinced of the benefits in terms of:

- Allowing local decisions to be made on the basis of local need and with the speed of action needed.
- Delivering of long-term, improved levels of maintenance and renewals.
- Delivering efficiencies through the integration of the maintenance and operations functions.
- Providing greater understanding of the requirements of the network and response times.
- Improving asset recording, renewal and possession planning.
- Delivering a more efficient structure for the delivery of planned major investments in the network including the upgrading of stations.
- Allowing greater co-ordination with other modes.
- Allowing the abandonment of the obligation to pay into the industry risk funds, saving approximately £1.1 million (for the financial year 2006–07).
- Delivering innovation based on local needs and demands.

2.10 Network Rail believes that “improvements can be delivered most effectively and efficiently through joint working between Network Rail, Merseytravel and Merseyrail.” This is the theoretical basis of Network Rail’s virtual integration concept. The practical reality on the ground is that there are no signs of Network Rail delivering the required improvements in the infrastructure, despite some improvements in contact at the local level. Merseyrail Electrics continues to lose about 100 trains a week as a result of infrastructure failures attributable to Network Rail and this was before the recent wheel wear problem. The New Year delays have only served to convince us further that more local control is needed to ensure the effective delivery an effective infrastructure on the Merseyrail Electrics Network.

**OVERALL**

3. Merseytravel has worked closely with Network Rail and will continue to do so. We have achieved much together but more benefits to passengers and for the economy of Merseyside can be delivered if there was to be vertical integration of the network on Merseyside.

3.1 On the ground, local decisions would ensure that we can deal not only with issues such as targeting investment but also making sure that the expertise and skills that are required are available. Indeed, Merseytravel is widely recognised as one of the best organisations for training and development having won a number of awards for our innovative approach to skills.

3.2 We would be happy to work with the ORR, Network Rail and the Department for Transport in trialling vertical integration on the Merseyrail Electrics network, as was recommended by the Transport Select Committee in its report, Passenger Rail Franchising (25 October 2006).

3.3 It is obvious that we all need to work together in partnership to deliver the rail system that everyone would like to see. FLDM does not represent a seismic shift in the structure of the industry, being devolution of responsibility to the local level on infrastructure maintenance and renewals. This is in keeping with the Government’s emerging regional, sub-regional and local agendas.

I hope that Committee finds our additional comments of use but should you require any more information then please feel free to contact me.

*February 2008*
Tom Harris and Gordon Brown have been taken for a ride

I have been promised one thing and given another. On Tuesday 10 July 2007 the Department for Transport (National) announced “New rail franchise delivers big increase in capacity between major cities”. Rail Minister Tom Harris said: “We have secured an excellent deal with Arriva. Not only are they delivering an even bigger increase in capacity than we asked for, they are doing it a year earlier than expected. I am especially pleased that the new franchisee will connect some of our biggest cities even more effectively. This will benefit both business and leisure travellers”. An extra 40 carriages will run on the New Cross Country network following the award of the franchise to Arriva plc. Arriva plc has been awarded the contract to run the franchise from 11 November 2007 for eight years and four months. The DfT will pay it a subsidy of £1.056 billion.

In a matter of weeks since they took over on 11 November 2007 Arriva Cross Country have reduced the numbers of carriages and seats between Birmingham, Sheffield & Leeds and increased overcrowding.

Please tell me and my fellow passengers how this has happened:

(a) did Arriva Cross Country not tell the DfT they would do this? or
(b) did they tell the DfT but they gave Arriva the contract anyway?

February 2008
Ev 312  Transport Committee: Evidence

Oral evidence

Taken before the Transport Committee

on Wednesday 23 January 2008

Members present

Mrs Gwyneth Dunwoody, in the Chair

Clive Eford

Mrs Louise Ellman

Mr Lee Scott

Mr Eric Martlew

David Simpson

Graham Stringer

Witnesses: Sir Ian McAllister, Chairman, Mr Iain Coucher, Chief Executive, Mr Simon Kirby, Director, Infrastructure Investment, Network Rail; Mr Thomas M McCarthy, Director of Bechtel Limited, gave evidence.

Chairman: Good afternoon to you gentlemen. You are most warmly welcome. Members having an interest to declare?

Clive Eford: I am a member of Unite.

Mr Martlew: I am a member of Unite and the GMB.

Chairman: Gwyneth Dunwoody, ASLEF.

Mrs Ellman: I am a member of Unite.

Graham Stringer: I am a member of Unite.

Q1 (23.01.08) Chairman: I am going to ask you firstly to identify yourselves for the record and then ask if anybody has anything they want to say briefly.

Mr McCarthy: My name is Thomas McCarthy. I am senior vice-president with Bechtel and managing director of their rail business.

Mr Coucher: Iain Coucher, chief executive of Network Rail.

Sir Ian McAllister: Ian McAllister, chairman of Network Rail.

Mr Kirby: Simon Kirby, director of infrastructure investment at Network Rail.

Chairman: Good afternoon to you gentlemen. You are most warmly welcome. Members having an interest to declare?

Q2 (23.01.08) Chairman: Does anybody have anything they want to say briefly?

Mr Coucher: I have a few introductory comments for the Committee. I would of course like to start by repeating my public apology to all who use the railway for the disruption that was caused on the network at three locations over the new year period. It was unacceptable and we know that we must work hard to address the situation. We know that these incidents reflect badly, not just on Network Rail but indeed the whole rail industry. Every day, every weekend and particularly every Bank Holiday, we are under extreme pressure to deliver incredible volumes of engineering work in very short periods of time. Every one of the 5,000 projects that we do every single year has the potential to cause the same amount of disruption that we saw at Liverpool Street, Rugby and Shields Junction should they not complete on time. We believe we have a good track record of delivery but we got it wrong at these locations at the new year and that is unacceptable. In an extension of the parallel drawn by Roger Ford at this Committee, every time we take an engineering possession to invest in the railway the industry...
Mr McCarthy: key reasons for the severe overrun at Rugby? Bechtel, can you tell us what in your view were the resources and therefore could not complete the work we found that we were unable to bring in additional resources to help us through the problems we faced, a project, when we sought to bring in additional programme, as we normally do from time to time on locations when we experienced some slippage in the longer than we would need. In both these two, great deal of contingency in our programmes into very short periods of time. We do not allow a complicated pieces of engineering work squeezed our contractor was not able to start into the first two days of the blockade, it was clear resources to be able to carry out the works. As we got into the all line block, we relied on our contractors plan to be able to secure the remaining resources. Robin Gisby, the operations director, visited the site between then and the next point when I was contacted on 30 December where it was identified that it was a possibility—only a possibility at that stage—that there may be an overrun. That is when we advised both London Midland and Virgin of the case.

Q3 (23.01.08) Chairman: Mr Coucher, I think we should get out of the way the fact that this Committee acknowledges that you have an enormous amount of work to do and that you are trying to update a very old railway.

Mr Coucher: Thank you.

Q4 (23.01.08) Chairman: There cannot really be any disagreement on the fact that what happened at Rugby and Liverpool Street was extremely damaging for the industry and no matter how good you are, life being unfair, people will remember the bad things you do and not the good things you do. What were the factors that were common to the Rugby and Liverpool Street? Mr Coucher: Both of these were extraordinarily complicated pieces of engineering work squeezed into very short periods of time. We do not allow a great deal of contingency in our programmes because that would deprive the users of the railway for longer than we would need. In both these two locations when we experienced some slippage in the programme, as we normally do from time to time on a project, when we sought to bring in additional resources to help us through the problems we faced, we found that we were unable to bring in additional resources and therefore could not complete the work in the time available.

Q5 (23.01.08) Chairman: Mr McCarthy, on behalf of Bechtel, can you tell us what in your view were the key reasons for the severe overrun at Rugby? Mr McCarthy: Quite fundamentally, when we went into the all line block, we relied on our contractors plan to be able to secure the right amount of resources to be able to carry out the works. As we got into the first two days of the blockade, it was clear our contractor was not able to staff up to the committed resources he had committed to to deliver the plan. We then took contingency measures to try to help him through that to such a point where we eventually had to take over the work and complete the work ourselves.

Q6 (23.01.08) Chairman: You had direct responsibility, did you not? It would be interesting to know when the first member of your senior management team visited Rugby. The same question to you, Mr Coucher. At what point did the first member of your Network Rail senior management team visit Rugby? Mr Coucher: The first time I was aware that there were issues at Rugby was at 11 o’clock on 27 December. I had been made aware that there were issues with the overhead line but at that point in time the team were confident that the slippage that had been experienced in the early part of the possession could be contained inside the available time. Robin Gisby, the operations director, visited the site between then and the next point when I was contacted on 30 December where it was identified that it was a possibility—only a possibility at that stage—that there may be an overrun. That is when we advised both London Midland and Virgin of the case.

Q7 (23.01.08) Chairman: Was Mr Gisby the first one there on 27 December? Did you have a senior team on standby all the way through Christmas? Mr Coucher: Over the Christmas period is the most intensive period of work that we ever do. This year we had £125 million of work at 35 locations where we were doing similar bits of work. The senior team is always on call to attend if necessary. We spread around the responsibility of visiting those work sites but all of them at that stage were progressing in accordance with the plans so we would not send people necessarily on site the first time that there were reports of a problem because it is normally within the power and responsibility of the project managers on site to manage it inside the regime. We had no sign that there would be a problem at that point.

Q8 (23.01.08) Chairman: You had direct responsibility, Mr McCarthy, for the project management. When was your senior management team on site? Mr McCarthy: My senior management team was on site throughout the blockade very specifically. We were being kept updated on the progress twice a day. We were monitoring the progress of our contract to every four hours so we knew exactly where they stood against the schedule. As I said, it became apparent on the 25th and 26th that they were not meeting this schedule. It was clear that they were not able to mobilise the resources necessary. On the 27th, we talked to Simon Kirby at Network Rail asking for additional help from around the network to be able to secure additional, very specific resources on the overhead line. Those discussions carried through the 28th and the 29th and we still believed at that point, had we got all the resources, we would be able to deliver the blockade by 1 January. It became apparent on the 30th that the contractor still was having a decline in resources and even worse problems with resources. We took over control of his works and worked with Network Rail to secure the remaining resources.

Q9 (23.01.08) Chairman: When we say “resources” are we talking about engineers who have personal track safety certificates? Mr McCarthy: That is correct. We are talking very specifically about overhead linesmen that are capable of working on 25kv overhead line as well as the supervision and management.
Q10 (23.01.08) Chairman: I ask you again: what was the first stage at which you realised there were not enough overhead line engineers available?
Mr McCarthy: We began realising on 26 December.

Q11 (23.01.08) Chairman: Did you by any chance commission a firm called Oracle Global to recruit for these jobs?
Mr McCarthy: No, we did not.

Q12 (23.01.08) Chairman: Mr Coucher, who is responsible for the recruitment through Oracle Global?
Mr Coucher: I believe that Jarvis, the contractor for this particular job, did secure additional overhead resources.

Q13 (23.01.08) Chairman: There is some evidence, is there not, that they knew very early on that they had not enough overhead engineering personnel available?
Mr Coucher: We had concerns about the level of resource at the beginning of the project and we sought assurances from the contractors that the people we needed had been specifically identified by name and that these people would be made available for the blockade.

Q14 (23.01.08) Chairman: We will come back to that but I need to talk to you about Liverpool Street. When did your senior management first visit Liverpool Street?
Mr Coucher: We had our route director on site at regular moments throughout the possession to keep an eye on the works.

Q15 (23.01.08) Chairman: When did he first indicate that there were problems? Is it true that Liverpool Street was thought to be on target and on programme until large numbers of your staff departed to Rugby?
Mr Coucher: That is not true. At 10 pm the night before the train service was due to start the following morning, we still believed that the work that was necessary to open the rail service on the following morning could be delivered. It was not until two o'clock, four hours before the first trains should depart, that we realised the amount of work still left to do meant that we could not start the train service for the morning peak.

Q16 (23.01.08) Chairman: Why was that? Normally, presumably, you were working to a programme and you have some idea how far you are along?
Mr Coucher: Yes. We were following the programme precisely. We track these things on a half hourly basis. We were tracking both the installation of the overhead line gantries and the wires strung between them and it was progressing in accordance with the programme. What was happening though unfortunately was a number of alignment and snagging problems that we still had to correct and it was those pieces of work which took longer than we had first thought.

Q17 (23.01.08) Chairman: You had only discovered that two hours before you were supposed to go back on track?
Mr Coucher: We started to realise that round about midnight, about six hours before, the number of snagging pieces of work that we had to do could not be completed in the remaining six hours.

Q18 (23.01.08) Chairman: Sir Ian, if for any reason Mr Coucher is not able to act as the public face of Network Rail, would you not normally expect to stand in and make statements on behalf of the company?
Sir Ian McAllister: We decided very early on that there were two issues we needed to deal with. The first was to correct the situation and get the necessary resources in place as quickly as possible to rectify the problem and fix it as quickly as we could. The second part of that was to ensure that correct information was being passed out to the public with respect to the recovery of the situation. Both Iain and I talked about that and decided that the way ahead was to have Robin Gisby do the necessary presentations to the press because he was the executive responsible. He was in charge of customer operations. He was also linked and hard wired into Simon Kirby who was on site and getting the necessary information so he could take the appropriate decisions to give the correct information when it was required.

Q19 (23.01.08) Chairman: The difficulty about that is that this was a major failure, both at Rugby and at Liverpool Street. Did it not seem to you that it would have been better for the company if a very senior executive, namely yourself, was on site in order to make a public statement? It is not true, I am sure, that you stayed out of the headquarters for the first four days of January, is it?
Sir Ian McAllister: My office is where I am. I was in constant contact with Iain and with Robin Gisby on the recovery situation.

Q20 (23.01.08) Chairman: Why was it that you did not feel as Chairman that you should be contacting everybody concerned, making public statements and making it clear that you had direct responsibility?
Sir Ian McAllister: Because it was agreed between us that the most appropriate person—

Q21 (23.01.08) Chairman: Who is the “us” in this instance?
Sir Ian McAllister: Myself and Iain Coucher. The most appropriate person to make those statements was the person who was in direct contact with a very rapidly changing engineering situation. The situation was changing almost hourly and it was important that the person who was in contact with those engineering changes could make the necessary calls with respect to the information that was provided to the public. We felt it important that the correct information was being given out and that was the responsibility of Robin Gisby. We felt that he was the most appropriate person to give that information at that point in time.
Q22 (23.01.08) Chairman: Is he the one who is ultimately responsible for the overall programme of engineering and modernisation, for example, on the west coast main line?

Sir Ian McAllister: The person who has overall responsibility for the programme is Iain and he works through our contractors which of course are Bechtel.

Q23 (23.01.08) Chairman: Forgive me. I understand that, I think the Committee are aware of that, but the point I am making to you is that this was a shambles different in kind and in size. This was not the sort of overrun that you get for a couple of hours at the weekend when there is a difficulty. This was a major station, at Liverpool Street, servicing large numbers of people in the city who were coming back to work after a holiday. There were problems which we understand with the CEO’s ability to be the public face at that time. No one criticises that but did it not occur to you that you should be talking directly to the public about what was happening?

Sir Ian McAllister: When it comes to Liverpool Street, I was contacted on the morning of the overrun by Robin Gisby to inform me what was happening. You have heard that the information only came very late. That was on 2 January. Robin at that time told me that these services would be restored by lunch time. The situation at Liverpool Street was a bad situation. It should not have happened but it was resolved very quickly within a very, very short time period. The issue however at Rugby was rapidly changing, almost hourly, and it was important that the information was properly assessed by those competent to do it. Robin was the person we had agreed was in the best position to handle the questions because he was in direct contact with the oce for those four days?

Sir Ian McAllister: I was in constant contact—

Q24 (23.01.08) Mr Martlew: If you had your time again, would you do exactly the same thing?

Sir Ian McAllister: With hindsight, who knows? As a result of all these events, we do a post mortem to understand what happened. Could we have done it differently? If we had done it differently, would the results be different? That we will do and we will decide whether or not changes need to be made in the processes. The point I would make is that the structures we followed and the person we appointed was exactly the person who has handled most of the events over the past five years. That is not to say that it could not change but it was an operational problem and the best people to sort that out and give information to the general public—

Q25 (23.01.08) Chairman: It was not an operational problem at that time, was it? It was a major publicity disaster, not to put too fine a point on it. It was a situation that was going to cost Network Rail enormous amounts of goodwill. It was going to destroy all the hard work you have done at the 33 other sites. We are not talking about just a routine overrun. These particular locations were going to cost you enormous amounts of public support.

Mr Coucher: Of course, if we had our time again, we would probably do things differently. Ordinarily, when there is an operational incident on the railway, we always use a director of operations. He is the person with information absolutely at his fingertips and he has the breadth and depth to answer all the questions about all the situations. I would have done it myself. I would have been on site there if I could have been. I was certainly available for all the subsequent days after that. In any normal circumstances, it would have been me standing up there. I made the decision that it was better to use Robin Gisby because he knew the detail rather than, in this case, using the Chairman but we will reflect upon that and perhaps reconsider for future occasions. Of course, we would like not to get into future occasions.

Q26 (23.01.08) Mr Martlew: Sir Ian, is it right that you were not in the office for those four days?

Sir Ian McAllister: I was in constant contact—

Q27 (23.01.08) Mr Martlew: Were you in the office or not?

Sir Ian McAllister: I was not in the office. As I said earlier, the office is where I am. I am in constant contact. I travel the country and I am in constant contact with the office. At that point in time I was talking to the office and finding out what was going on. I was also talking to Iain and I was talking to Robin Gisby. I was getting regular updates.

Q28 (23.01.08) Mr Martlew: You were not in the office. That was all I wanted to know.

Sir Ian McAllister: No. I have an office at home.

Q29 (23.01.08) Mrs Ellman: Do you not feel you should be the public face of Network Rail in circumstances like this?

Sir Ian McAllister: I think we have covered that point.

Q30 (23.01.08) Mrs Ellman: I am asking you the question.

Sir Ian McAllister: I was quite willing to do that. We decided however that in the interests of providing the correct information to passengers Robin Gisby should handle the questions because he was in direct contact with Simon Kirby, who was on site and updating exactly what was going on.

Q31 (23.01.08) Mrs Ellman: You did not think this was something very special that had happened?

Sir Ian McAllister: I thought it was extremely serious. I was very concerned and very worried but when we talked about what we should do that is the decision we made.

Q32 (23.01.08) Mrs Ellman: Network Rail contracted Bechtel as programme manager for the work in Rugby and Bechtel then contracted other companies to carry out pieces of work where it all went wrong. Why did Network Rail not do that contracting directly?
Mr Coucher: Network Rail does contract but Bechtel are our programme managers. They work alongside us managing the programme. This is the most complicated project we have ever undertaken and Rugby in itself is the most complicated bit of that so we bring in resources like Bechtel, who are probably the best programme managers in the world, to assist us in doing that.

Q33 (23.01.08) Mrs Ellman: Do you now think that they are the best programme managers in the world?
Mr Coucher: I still believe that. They have a fantastic track record. They have delivered for us over the last six years £7.7 billion on the west coast, largely without issues, and it is this type of experience that we need. There were reasons but not excuses for what happened at Rugby and we will correct those but the contracting decisions are between Network Rail and the contractors, not through Bechtel.

Q34 (23.01.08) Mrs Ellman: Do you not think this is a very complicated system?
Mr Coucher: No, this is entirely normal. This is what happens in any other civil engineering organisation in the world.

Q35 (23.01.08) Mrs Ellman: What went wrong then?
Mr Coucher: In this particular case, we started to experience problems in the early part of the possession on the most complicated piece of work on a six day blockade. When we sought additional resources to help us out at this point in time, there were not additional resources that we could bring in and an overrun became inevitable.

Q36 (23.01.08) Mrs Ellman: Was it the same contractor who had difficulties recruiting the overhead line workers at both Rugby and Liverpool Street?
Mr Coucher: No, they were different.

Q37 (23.01.08) Chairman: Perhaps we can ask Mr McCarthy. You say on your website that your expertise has saved customers millions of dollars whilst meeting tight schedules on the most challenging projects. What did the taxpayers save on your Rugby engineering possession over Christmas?
Mr McCarthy: We are deeply disappointed in the fact that we were not able to bring this one in as scheduled.

Q38 (23.01.08) Chairman: I am sure you were. I think this Committee shares that view.
Mr McCarthy: Quite frankly, we thought we went through a very robust process. We had three readiness reviews ahead of the day arranged to start the blockade. In those readiness reviews we went through the detailed plans on an hour by hour, minute by minute basis with each of the contractors going forward. We did have a concern about the overhead line staffing. We required the contractor to give us the names of each of the individuals to be able to support the staffing plan, to be able to reach that commitment. Those names we recognised. It gave us some comfort that they had the competent resources to be able to deliver the programme. The names that were on the list did not show up for the work. We have not been able to get a good reason why they did not show up and for that reason we had to solicit outside support from the rest of Network Rail and from other contractors in the OLE business.

Q39 (23.01.08) Mrs Ellman: Had the contractor who was dealing with this, the contractor who failed to utilise the staff properly, given rise to any concerns before?
Mr Coucher: Not on this particular job.

Q40 (23.01.08) Mrs Ellman: No, not on this particular job but in the past?
Mr Coucher: Sorry; not on this particular work package.

Q41 (23.01.08) Mrs Ellman: Ever? On any other work that they had done for you which you knew they had done elsewhere?
Mr Coucher: For all of our pieces of work that we do, we look at the capabilities and delivery capabilities. We only pick those people that we have confidence in who can deliver all of our bits of work, whether it be overhead line, track, signal or whatever. We look at that as part of a risk assessment. In this particular case we sought assurance about the resources. We believed we had secured those assurances but as the work started it became apparent that these resources did not show up and we had to seek additional help from outside the contractor.

Q42 (23.01.08) Mrs Ellman: Had those contractors done work for you before?
Mr Coucher: Yes.

Q43 (23.01.08) Mrs Ellman: How had they performed that?
Mr Coucher: That they performed satisfactorily.

Q44 (23.01.08) Mrs Ellman: There were press reports that one of the reasons the disaster happened was that workers turned up having been drinking and were unable to take up their jobs. Is that true?
Mr Coucher: No, it is not. We have uncovered no evidence of that in our investigations. It is true that for the work being done at Rugby the agency labour had only been secured or allocated until the end of the job which was 31 December. We had no assurances that they would work beyond that so we started to see a drop off in resource against that which we had because they were never planned to be there in the first place. We have no evidence of what you are suggesting.

Q45 (23.01.08) Mrs Ellman: When you made your initial comments, you said all work like this had the potential to go wrong and you were closer to the rocks then you would have liked and you did not make much room for contingencies because of the time limits. That does not really give us much confidence about the future, does it?
Mr Coucher: I think we should look in the wider context. We do 5,000 of these projects every year and we deliver them successfully. Our measure of success is complete invisibility. The work that we do every weekend, every time we pick up a spanner, we design to get in there and get out without disrupting any passengers so you would not see anything of the successful projects. We have successfully delivered, delivered and delivered. When it goes wrong, as it did here at these three locations, it can disrupt the passengers for which we are deeply sorry. I will give you an example, if I may. Just outside of Edinburgh Waverley, we were lowering the track bed. We were digging down and replacing all the track in a tunnel. It went absolutely perfectly. Had that not been delivered on time, the whole of Scotland would have been disrupted between Edinburgh and Glasgow. Those are the sorts of risks that we take every time we pick up a spanner. We are engineering a Victorian railway and trying to get it back in terms of its services. Of course we would like longer to do this but that would deprive the users of the railway for longer than we believe is necessary.

Q46 (23.01.08) Mrs Ellman: Are you entirely satisfied with the current arrangements in relation to who is responsible for what?

Mr Coucher: Yes. It is a delivery model that we have seen successfully deliver project after project. It has worked very successfully. There were reasons here but not excuses. We need to make sure that the reasons here are not repeated in the future. We need to work with the ORR. They have not yet concluded.

Q47 (23.01.08) Mrs Ellman: If you were fined for what happened, who should pay it? You or Bechtel?

Mr Coucher: There is a commercial arrangement between ourselves and Bechtel and the contractors involved but at this point in time any decision about a fine is something you would need to refer to the ORR. They have not yet concluded.

Q48 (23.01.08) Clive Efford: There are 575 people on the management group, 100 from Bechtel, 313 from Network Rail. Who are the other 162?

Mr Coucher: Engineering consultants that we bring in and designers from other consultancies.

Q49 (23.01.08) Clive Efford: How does a group that large operate? I fail to understand how a management group of 575 people could meet, which I assume they do not, but how does it operate?

Mr Coucher: As you may or may not be aware, the west coast programme is a project which stretches from Scotland right the way down to Euston and there are individual project teams that look after Rugby, Nuneaton, the Trent Valley four tracking, Milton Keynes and Bletchley remodelling, so they are all allocated to projects. Sitting above that is a programme office of people so each of those 575 people is allocated to one of the programmes.

Q50 (23.01.08) Clive Efford: So we do not have a full picture of the structure here. It is not a flat 575. Above them, there is an over arching project team. Who is that?

Mr Coucher: The 575 is the entire programme management team that looks after the entire west coast. A number of the 575 are allocated to Rugby; a number of them are allocated to the Trent Valley four track.

Q51 (23.01.08) Clive Efford: Who is above them? What is the next tier up? Who do they report up to?

Mr Coucher: The programme director of the west coast programme reports to Simon Kirby.

Q52 (23.01.08) Clive Efford: How is that made up? Is there one person responsible for each of those teams that reports to Mr Kirby?

Mr Coucher: There is a programme director for the west coast route modernisation. That individual reports to Simon Kirby, as with all the big programmes that we do. Beneath the west coast route modernisation programme are individual programme managers that look after the work packages of which Rugby was one.

Q53 (23.01.08) Clive Efford: How many staff does Bechtel have working on the entire west coast modernisation?

Mr Coucher: 100.

Q54 (23.01.08) Clive Efford: The answer for you would be 313 and that is the entire team on the west coast main line modernisation?

Mr Coucher: Yes.

Q55 (23.01.08) Clive Efford: Of the programme management team, who is ultimately responsible? Is it Bechtel? Is it Network Rail?

Mr Coucher: It is a programme director from Bechtel working in accordance with Network Rail's systems and processes as with any other programme that we would undertake. In this instance, given the size and complexity of the job, we believed it was necessary to bring into the organisation some world class, experienced, heavyweight project managers to manage a programme of this size and they do so alongside our people managing in accordance with our systems and processes.

Q56 (23.01.08) Clive Efford: We have established that the ultimate responsibility for this lies with Bechtel.

Mr Coucher: The ultimate responsibility lies with Network Rail.
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Q57 (23.01.08) Clive Efford: In terms of reporting what was going on, on the ground, the responsibility for managing that is Bechtel’s?

Mr Coucher: On our behalf, yes.

Q58 (23.01.08) Clive Efford: I took some notes earlier on. If I am right, you said that 30 December was when you were first made aware of the possibility of an overrun.

Mr Coucher: Yes.

Q59 (23.01.08) Clive Efford: Mr McCarthy, you said that you became aware that there were problems between the 23rd and the 26th and on the 26th you were clear that there was a distinct possibility of an overrun.

Mr McCarthy: That was between the 25th and the 26th. At that particular point, we did not have a distinct possibility of an overrun. We were taking mitigation measures to meet the end date of the blockade.

Q60 (23.01.08) Clive Efford: How crucial are the overhead line engineers to the completion of this project?

Mr McCarthy: In the Rugby blockade itself, there was a significant portion of the work allocated down the line. In essence, it was the demolition of existing track, existing overhead line and existing signalling and the reinstatement of that in a new layout at Rugby. The overhead line was a significant amount of effort and that is why we put a lot of front end planning into that particular work effort. We scrutinised the plan and whether the amount of works included in the blockade could be done within the blockade time frame.

Q61 (23.01.08) Clive Efford: Prior to the blockade starting, you were not aware that there was any possibility whatsoever that the engineers would not turn up?

Mr McCarthy: We were concerned whether the contract had the engineering resource secured for the blockade. We went to the extra measure based on our past experience of having name the resources and where they were coming from. They provided that list and we very distinctly reviewed whether they were a go for the blockade. We received that confirmation from the contractor.

Q62 (23.01.08) Clive Efford: We had experienced, named individuals that everybody was aware of the track record for. You felt that you could rely on those people so you were confident that, at the time of the project review where you finally gave the go-ahead, those staff were in place and would turn up?

Mr McCarthy: Yes.

Q63 (23.01.08) Clive Efford: During the course of the project, it became clear that these line engineers were not turning up. Given that they were so crucial to the completion of the Rugby project, how is it. Mr Coucher, that you were not notified until 30 December that there was a possibility of an overrun?

Mr Coucher: On Thursday the 27th at 11 o’clock in the morning, I received a call notifying me that the overhead line work was running behind schedule. At that point in time, the project team was not forecasting an overrun. They genuinely believed at that point in time that the work could still be completed, even though there were overhead line problems, inside the time available. It was not until Sunday the 30th when I was notified that there may be an overrun, but the project team was still trying to find a way of completing so there was early notification that there was a possibility, not a certainty, of an overrun.

Q64 (23.01.08) Clive Efford: I appreciate that there may be reasons why you were not personally contacted in that period. The evidence that we have had is that the biggest problem you faced was that engineers were not turning up and that seems to have been from the moment the blockade started.

Mr McCarthy: We do rely on named individuals to turn up. If they do not turn up—and it is not the first time that people have not turned up—we go to the normal pool of resources and bring in additional people at short notice. That has worked very successfully every time we have had to do that. If there is a shortfall, we can reach out and bring additional people in. During this particular work period, bearing in mind that there was overhead line work being done not just at Liverpool Street but at Trent Valley, Nuneaton and on the east coast, when we reached out for extra resources there were not any available. One of the lessons we will learn is that we will make sure on a national basis that we never find ourselves in a situation like that again.

Q65 (23.01.08) Clive Efford: In your absence over the Christmas period—I accept there were reasons for that—who were Bechtel reporting to in Network Rail to say, “We have this serious problem”?

Mr Coucher: Simon Kirby, the person entirely responsible for all of our investment programme overseas. There were 35 of these projects. There were projects ebbing and flowing. We were looking at all of the risks. The airport junction for example was over- running eight hours and we managed to recover that inside the time. All of them are like that.

Q66 (23.01.08) Clive Efford: This is not hours behind schedule, is it? This is days.

Mr Coucher: On Sunday 30 December, the first time we looked at it, there was a possibility at that point of perhaps a seven hour overrun.

Q67 (23.01.08) Clive Efford: When the blockade started, when were you anticipating reopening the line? Can you remind us?

Mr Kirby: The overhead line activity should have been completed before signal testing on the 1st at 5.00am.

Q68 (23.01.08) Clive Efford: Throughout the period, you were in touch with the project managers, Bechtel, and to monitor progress on the blockade?
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Mr Kirby: I was in touch with effectively 35 projects across the country. I was getting regular updates every 12 hours and exception reports where there were problems or issues. On the 27th in the morning, I chaired two meetings to assess what overhead line resource could be taken to Rugby from other work sites and engaged in those two conference calls were contractors and managing directors from other contractors who had potential overhead line resource. We also had Network Rail maintenance people engaged in those phone calls and that allowed further resource to go to Rugby progressively over the next two to three days.

Q69 (23.01.08) Chairman: You told your own maintenance people that there would be no work over the Christmas/new year period and you only had two staff on call but I understand that on the 30th you asked them to assist at Rugby and keep on until the 4th and you were asking them to work for all shifts, 24 hours a day. You went also to Bletchley. Is this the indication that you knew exactly what was going on? Did you not say to them, “You will not be required” and then call them in on the 30th?
Mr Kirby: We had senior maintenance management engaged in the phone calls as soon as we understood there was an issue and we had maintenance staff mobilised and sent to Rugby from the 27th.

Q70 (23.01.08) Chairman: Did anybody suggest to you that there should be extra payment to bring people into Rugby? Is it true that people from Liverpool Street were being offered £1,000 bonus on top of their double time?
Mr Kirby: We have found no evidence of that. We are investigating.

Q71 (23.01.08) Chairman: Let us do it the other way round: is it true that people who were working at Liverpool Street left that job and moved to Rugby for whatever reason?
Mr Kirby: We pay a standard bonus for working Christmas and new year to all of our contractors.

Q72 (23.01.08) Chairman: Did you not hear this rumour that £1,000 was being offered on top of double time?
Mr Kirby: I have heard a number of rumours on all sorts of thing.

Q73 (23.01.08) Chairman: Did you ask the contractors if this was so?
Mr Kirby: We have. We are fully investigating where the staff from Rugby and Liverpool Street went to. I think you do need to put the context. We were managing projects on a number of locations with this type of staff.

Chairman: Mr Kirby, we are not questioning your ability to manage a number of projects; we are concerning ourselves with the management of two specific projects.

Q74 (23.01.08) Clive Efford: On this point about managing the staff, in the readiness review what contingency do you have for the eventuality that there are staff that do not turn up? It seems to have been very slow to react to this lack of staff. Is there a contingency in the readiness review?

Mr Coucher: Yes, there is. The readiness review looked at all our staff. We thought we had secured the staff. We always know that one or two people may not show up for genuinely good reasons. They may fall ill or whatever so we have to prepare ourselves for the possibility. We plan our work in such a way that it is not assuming a full turn out. In this instance, we got fewer people than we would have liked and when we sought to bring in additional resources because of the work programme there was a shortage of spare resource and therefore it was difficult to recover the lost time inside the available time.

Q75 (23.01.08) Clive Efford: Why is it in Bechtel’s evidence that the readiness reviewed that the decision to go is subject to the OLE resources being validated?
Mr Coucher: One week before we said, “There is a risk here.” That is why we needed to explicitly identify each person that is going to turn up for the required work. Once we had started the work, the track had been ripped up and the lines had been brought down, some of these people in the original list that had been identified did not show up. We went to our normal sources to bring in additional resources but there was none available.

Q76 (23.01.08) Clive Efford: I am sorry; I am having trouble with this. We have the readiness review which determines whether the blockade should go ahead. It seems to be saying here that you took that decision without knowing whether you had the staff in place. Is that right or is it not?

Mr McCarthy: We took the decision very specifically on the basis that our contractor could demonstrate with named resources that they had secured the resources to go into the blockade. During the week prior to the blockade, they produced that list. We reviewed that list and they gave us assurances that they had secured the resources going in and therefore we were comfortable that they had the resources to be able to deliver the works.

Q77 (23.01.08) Clive Efford: That is the normal procedure?

Mr McCarthy: We went to the extra step for a contractor to have them named. We typically would not have our contractors name specific resources. Quite frankly, we have never had a problem with OLE resources in the five years of the previous blockades we have delivered before.

Q78 (23.01.08) Mr Martlew: Mr Coucher, is it a fact that you were over-ambitious? You had too many jobs on and that is why there were not any reserves, if that is what you call them?

Mr Coucher: We were over-ambitious for the right reasons. We were desperate to try and deliver all of this work in a way which did not require any additional time. We knew it was tight. When
unfortunately these programmes ran into early difficulties and we looked to get additional resources, we could not bring them in at short notice and still deliver the work on time.

Q79 (23.01.08) Mr Martlew: Because they were working somewhere else on the railway?  
Mr Coucher: Yes. Now we will have a complete review of the overhead line resource category. We will see much greater use of Network Rail people doing this rather than relying on agency people who are not loyal to the company. Certainly when we called out the Network Rail maintenance people with experience in overhead line work, they came, they worked and they were loyal. They worked so hard that we had to almost send them home for their own safety as they were working too hard. Going forward, we will be doing much, much more of this ourselves rather than relying on agency people because that is what let us down in this instance.

Q80 (23.01.08) Mr Martlew: Is there a skills shortage on the railway or is it because we have not trained people in the past?  
Mr Coucher: No, there is not a skills shortage. We need people we can train and develop. In the past, we have never exhausted the pool of available overhead line staff. This was the first instance where we came across it. Whilst we believe there is a greater case for wider electrification of the railway, we will increase our resources in this and we need to do so probably through Network Rail rather than relying on agency people to do it for us.

Q81 (23.01.08) Mr Martlew: Mr McCarthy, you say it was due to people not turning up. What sort of numbers? How many turned up? What was the absentee rate?  
Mr McCarthy: We had a very specific number of people required for each shift. The total resource for the experienced linesmen and supervision was around 65, which are broken up into two shifts a day of about 30 to 35 each. At its lowest point, we were getting less than 50% of those resources showing up for the contractor, at which time we had to take control of the job and work with Network Rail.

Q82 (23.01.08) Mr Martlew: Only half of the people turned up at the worst time.  
Mr McCarthy: At the worst time it was less than half; yes.

Q83 (23.01.08) Mr Martlew: Could it be that some of them were working somewhere else on the railway?  
Mr McCarthy: We could not establish that fact at the time. Quite frankly, we had to do what we could to get the other resources in outside the contractor.

Q84 (23.01.08) Mr Martlew: Are you trying to establish it now?  
Mr McCarthy: We are trying to establish it right now. Our contractor has not given us satisfactory justification for the resources although that is still under investigation.

Q85 (23.01.08) Chairman: Were you offering people with suitable certificates £5,000 for three days' work?  
Mr McCarthy: Not to my knowledge. Network Rail has a standard bonus—
Q92 (23.01.08) Mr Scott: It has been alleged that there was a derailment of a ballast train during works at Rugby. Is that correct?

Mr Coucher: There was an engineering train that had derailed in a possession before the work at Christmas. It was a separate weekend. It did not impact either on that possession or indeed the Rugby one.

Q93 (23.01.08) Mr Scott: Were there any other accidents that occurred or contributed to the overrun at Rugby or Liverpool Street?

Mr Coucher: Not that I am aware of.

Q94 (23.01.08) Mr Scott: Mr McCarthy, you state that the time period in which works could be carried out was compressed by decisions outside the control of the programme management team. What were those decisions and who made them?

Mr McCarthy: The process for planning the access takes place anywhere from 18 months to two years ahead of the planning of the engineering and the engineering works and possessions, so in many respects the access windows are locked down as we are still engineering the works to be completed. Therefore, we try to fit in the works inside those windows.

Q95 (23.01.08) Mr Scott: Were you concerned about this compression in the time available to do the works?

Mr McCarthy: We were not concerned. We have a very ambitious programme to deliver between now and December 2008, so we were trying to strike the right balance of delivering as much as we could without any undue risk for an overrun. That is a balancing act. We have to strike a balance on how much work we can get done in the window itself, so we are trying to get as much work as we can inside the window without adding too much risk of an overrun on the outside. That is what we review when we go through the readiness reviews for how much work we can deliver and have a good probability of achieving those works.

Q96 (23.01.08) Graham Stringer: We were talking about costs and you were saying that there would be compensation to be paid to the train operating companies and the passengers. What I was trying to get at was what is the extra cost of the engineering work itself. It must have cost more because there were people there for longer.

Mr Coucher: We have not yet assessed whether or not they are due any more under our compensation regimes that we pass on to our contractors. That will take several weeks before it flows through.

Q97 (23.01.08) Graham Stringer: The ten million is the compensation plus whatever extra costs there were for being on site longer?

Mr Coucher: Like I said before, this is in excess of ten million. I am not entirely sure of the precise figures but there is compensation due to train operators, freight operators, anybody who is affected by the disruption and by that additional cost incurred in paying contractors to finish the work, our own people. That in total will exceed £10 million.

Q98 (23.01.08) Graham Stringer: Mr McCarthy, you did a sort of due diligence to make sure that the people the contractors said were there actually existed. Are there penalty clauses in the contractors' contracts?

Mr McCarthy: There are no penalty clauses in this particular case as it relates to the resources themselves.

Q99 (23.01.08) Graham Stringer: The people who were supposed to be doing the work, the people they said were going to be doing the work, are those contractors going to be penalised in any way or is it just tough?

Mr Coucher: We use a whole range of mechanisms with our contractors. Some are fixed price. Some are target costings. Some are time and materials, where we just pay as we go and we use a balance of those throughout all of our contracts. Some here are different. There are some instances where the contractor does not bear any risk and others where they bear a lot more risk. It varies throughout the contracts.

Q100 (23.01.08) Graham Stringer: There is no penalty for them not turning up. They just did not get paid for work they did not do. Is that what we are being told?

Mr Coucher: The commercial arrangements on this contract are between ourselves and the contractor. There are some clauses where they will get paid for some work but not all of it, but there is no penalty. We cannot flow down the extra costs that we incurred back on to them for this particular one. Other contracts are different.

Q101 (23.01.08) Graham Stringer: Is that a sensible basis on which to set up a contract which is so time dependent and when there are very critical paths to go down? Is it sensible not to have penalties in there so that if somebody does not turn up there is no consequence to them?

Mr Coucher: There is a balance of contracting models that we use. The costs incurred here would completely dwarf what we would pay the contractor for non-delivery. You cannot transfer all of that risk onto them without them either declining to do the work in the first instance or being unprepared to contract for that work. We have to find the right mechanisms here. Normally they engage because they know failure would mean they would not get any additional work. That is the big risk that they take.

Q102 (23.01.08) Graham Stringer: Mrs Dunwoody mentioned Oracle Global at the beginning of this session. I am not quite sure whether they fit in or do
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not fit in to the flow of responsibility. Can you tell the Committee who they are and what they do for you?

Mr Coucher: I am led to believe that this company recruits agency people for the principal overhead line contractor, in this particular case Jarvis. They were engaged by them to go out and get additional agency people for this blockade.

Q103 (23.01.08) Graham Stringer: If somebody was offering the kinds of sums of money that Mrs Dunwoody was talking about, it would be Oracle?

Mr Coucher: I believe so, yes.

Q104 (23.01.08) Graham Stringer: Have you checked with them?

Mr Coucher: Not as yet.

Q105 (23.01.08) Graham Stringer: Really, the answer to the question before was you do not know and you have not checked. When will you know if they were offering those kinds of sums?

Mr Coucher: These are still conversations we are having with our contractors as to where these people were, who they were and the agency arrangement they have in place. I would like to reassure this Committee that in future we will be using a lot more of our own people in-house. We will not allow contractors to have a very high proportion of agency people to support their work because that is what has let us down here. There will always be a role for agency people to come in and provide labour at short notice because we cannot afford for every single contractor to have a huge level of resource for the two or three times a year when they are required. There will always be an agency pool but we will not be contracting with anybody where the agency is such a large proportion and of course we will be contracting with anybody where the agency is giving but one of the accusations that was being made was that they were not only offering bonuses but they were training people on site.

Would you know if they were taking non-qualified people on and training them on site?

Mr Coucher: Anybody who comes on to the work site must be fully qualified. We certify them through a system called Sentinel. All their competences are registered and you cannot bring people onto site unless they have the appropriate qualifications. It would be remarkable if people were doing on site training in a blockade like this. As you have raised it, I will go away and check to find out whether that was the case or not.

Q106 (23.01.08) Graham Stringer: I can understand you might not know what incentives a recruitment agency is giving but one of the accusations that was being made was that they were not only offering bonuses but they were training people on site. Would you know if they were taking non-qualified people on and training them on site?

Mr Coucher: Anybody who comes on to the work site must be fully qualified. We certify them through a system called Sentinel. All their competences are registered and you cannot bring people onto site unless they have the appropriate qualifications. It would be remarkable if people were doing on site training in a blockade like this. As you have raised it, I will go away and check to find out whether that was the case or not.

Q107 (23.01.08) Graham Stringer: I would be grateful if you could tell us. When you say that they have to be qualified before they get on site, if they turn up at midnight, as I assume some people would be doing, how would that be checked?

Mr Coucher: They have a plastic card with their photograph on it and all their competences, which lists what they are qualified to do and what they are not qualified to do, and that is checked at the possession gate.

Q108 (23.01.08) Graham Stringer: By Bechtel?

Mr Coucher: By the programme team, the person on site.

Q109 (23.01.08) Graham Stringer: Who were actually employing? Is that Bechtel or is it Southern Rail or subcontractors actually checking the passes?

Mr Kirby: We would employ somebody called a COSS (controller of site safety) who would basically check the competence and the credentials of each person signed on to site through the process that Mr Coucher has just described.

Q110 (23.01.08) Graham Stringer: Would Network Rail employ them just for the duration of this four, five or six day contract?

Mr Kirby: In many cases the contractor employs the controller of site safety; it depends on the particular instance, but they would be independent of the people actually doing the activity.

Q111 (23.01.08) Graham Stringer: It sounds as though it is out of both Bechtel’s and Network Rail’s control.

Mr Coucher: We put this requirement on our contractors that anybody who comes on to site is properly qualified and has registered their competence through the system. We spot check compliance with that and those spot checks will go on unannounced throughout the country. We ensure through that. There is a possibility here that this might not have been done by Network Rail.

Q112 (23.01.08) Graham Stringer: If this is an emergency, the gate may well have been wider open than it normally would be.

Mr Coucher: No. This is getting partly into the reasons now for the longer overrun. When things are starting to overrun, we need to bring additional people on to this work site. They are unfamiliar with the work site; they are unfamiliar with the tasks. This is a very busy work site running 24 hours on two shifts. There is lots of big yellow plant and we have to train those people—not train them but we have to brief them as to what their tasks are. That adds extra time and so that is always a risk. I can assure you that we make sure that everybody complies with the safety processes required to do work safely, both for them and to make sure the railway goes back on line safely. I share your concerns that the gate might have been slightly wider than we suggested, but we are very meticulous that the people who come on to the site must go through the controller of site safety certification process.

Q113 (23.01.08) Graham Stringer: Was the safety record on these two contracts as you would have expected it to be? Was it better or worse?
Mr Coucher: We have had an excellent safety record on the West Coast programme as a whole. It is probably the safest programme that we are running in terms of the accident frequency rate. There has been a very good delivery.

Q114 (23.01.08) Graham Stringer: I am asking about these two particular contracts. It is potentially dangerous work, is it not?

Mr Coucher: There are risks involved but everybody is properly trained and certified and we make sure that the work planning is done so that it can be done safely. There is no evidence to suggest that these contracts have a safety record that is any worse than that of anybody else.

Q115 (23.01.08) Graham Stringer: That is on these two particular contracts?

Mr Coucher: Yes. There is plenty of evidence on where we have suspended contractors, where we have not been entirely happy with their safety record until they have put in place mitigations, and we did that to one of our mainstream contractors last year.

Q116 (23.01.08) Chairman: You said that the overrun at Rugby was caused by poor manpower planning, too little scope for slippage, poor control and co-ordination on site. I think that is a direct quote from Network Rail. Why did you not realise that while the project was underway and showing signs of slippage?

Mr Coucher: It was progressing. There were slippages inside the programme. It looked like those slippages could be contained. When we hit further problems and we needed to reach that and get additional resources, the re-planning exercise meant that we could not complete it in the timescales.

Q117 (23.01.08) Chairman: Were there the same problems with the overhead line engineers in Liverpool Street as there were in Rugby?

Mr Coucher: No, they were completely different.

Q118 (23.01.08) Chairman: And yet in fact Liverpool Street, which appeared to be on time, slipped back because a lot of the overhead line engineers left Liverpool Street?

Mr Coucher: No, that is not the case.

Q119 (23.01.08) Chairman: You can assure me that that is not the case?

Mr Coucher: The overhead line people at Liverpool Street remained. We did supplement it with Network Rail people who had come off renewals work they were doing on the East Coast. So we put additional resource into there, and it simply took longer to fix the snagging problems we got. Whilst we had four hours to fix it, inevitably it took a little bit longer, which meant we missed the morning peak on the Wednesday.

Q120 (23.01.08) Clive Efford: Can I clarify this? When were Virgin first contacted by anyone to inform them that there was a likelihood of a delay?

Mr Coucher: First of all, Virgin and Network Rail and the train operators share an integrated control centre in Birmingham, so they are constantly aware of what is going on because they get exactly the same information for running trains. They are in the same office. The first time that we notified the train operators to create contingency plans for a possible overrun was after the conference call on Sunday, 30th December at 12 noon.

Q121 (23.01.08) Clive Efford: So they would not have been aware of Mr Kirby’s meeting on 27th?

Mr Coucher: No, because at that point in time we genuinely believed that we could still complete the work in time for the overrun. The first thing we did when we realised that there may be an overrun was to speak to Virgin and London Midland to advise them to put in place contingency plans for the possibility of an overrun.

Q122 (23.01.08) Clive Efford: At any time prior to the work starting, to the blockade starting, or whilst the work was going on prior to 30th, did Virgin raise any concerns about the possibility of delay?

Mr Coucher: There were constant project meetings. I met with Tony Collins and the Virgin team the week before the start of the work when we were talking about the possibility of extra days. There was a constant dialogue between Network Rail and—

Q123 (23.01.08) Clive Efford: I think the answer is yes or no? Did they raise any concerns about the possibility of delay?

Mr Coucher: Yes.

Q124 (23.01.08) Clive Efford: Prior to 30 December?

Mr Coucher: Before we even started the work, they wanted to be assured that we could get in there and get out and do the work, and that is the normal standard. We always take all of our customers through the work we are going to be doing so that they are aware of what we are doing.

Q125 (23.01.08) Clive Efford: So there were nothing other than the normal concerns for a train operating company in this particular set of projects and they did not express specific concerns to say that you will never get this work done on time?

Mr Coucher: No. There were no new circumstances. Of course whenever we do a piece of work like this there are always risks that we may not complete the work on time. We cannot afford the luxury of padding our possession simply to protect ourselves from an overrun. We knew that this was tight but we also knew that if we did not do this work over the Christmas period we would not deliver the December 2008 timetable upgrade. If we did not proceed, that was the rest of the work programme for the rest of the year.
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Sir Ian McAllister: There is a complete separation of responsibilities between the non-executive Chairman and the executive. The executive are responsible for operating the company and I am responsible for managing the board and reporting on our performance to our members. The board holds the executive management of the company to account.

Q127 (23.01.08) Clive Efford: What is your role in all this?
Sir Ian McAllister: I have no operational role whatsoever.

Q128 (23.01.08) Clive Efford: In terms of your appearance before this committee, what have you got to say to us about the situation that occurred over the New Year and Christmas?
Sir Ian McAllister: I think the situation was a very difficult one. It should not have happened. I expected and I was assured and I accept that the necessary mitigation measures were in place well before the blockade took place. It was in fact a discussion that we held with the board in December. We were not expecting an overrun. When the overrun occurred, then it is the operating responsibility to sort it out as quickly as possible.

Q129 (23.01.08) Clive Efford: When did your phone first ring in your office at home?
Sir Ian McAllister: My phone first started to ring on 31 December.

Q130 (23.01.08) Clive Efford: When you were referring to the situation changing hourly, in your answers to the Chairman earlier on, were you referring to?
Sir Ian McAllister: I was referring to the changing situation with regard to the likelihood of a recovery taking place. In the initial stages, the recovery was not forecast to be three days; it was forecast that there would perhaps be a seven to eight hours overrun. That was bad in itself but the situation developed as the time went on.

Q131 (23.01.08) Clive Efford: We have a situation here where Network Rail potentially is exposed to quite a substantial fine for what has gone on. Is that right?
Sir Ian McAllister: Yes.

Q132 (23.01.08) Clive Efford: Where is your responsibility in that and do you feel that you have been well served in the information that has been provided to you about the ongoing situation at the time?
Sir Ian McAllister: The situation was changing very, very rapidly indeed. As I said earlier, the principal objectives we had were, first of all, to get the problem sorted out as quickly as possible. Iain and I discussed it. He took on that responsibility and Simon started to get additional resources into the Rugby area. The second part of the issue was to ensure that the information provided to passengers was as comprehensive and as accurate as it could be. That was why Robin Gisby was doing that because he was hard-wired into Simon and therefore knew exactly what the situation was that was up to date. These are very fast-moving situations as they develop. As I mentioned earlier, I was first advised of the Liverpool Street issue on the morning that Liverpool Street should have returned to work and in the same conversation Robin advised me that the restoration of the lines would start from around, if I recall, noon to 2 o’clock that afternoon as the InterCity trains were coming into Liverpool Street and the whole station would be back in operation for the evening peak. So it was a very quick situation.

Q133 (23.01.08) Clive Efford: Everything was fast-moving but the trains! On the inquiry into what has gone on there are gaps in what is in Network Rail’s evidence to us. They seem to have found conclusions about the supply of engineers and the fact that you need to have a bank of engineers available, particularly at public holidays, but there are not any conclusions. We are a month on. You are a multi-million pound operation. You are one of the biggest public organisations—you are certainly one of the biggest in transport—and yet a month on you have not come to any conclusions. Have you been sleeping on the job? I am asking Sir Ian because I think this is a responsibly of the board of Network Rail.
Sir Ian McAllister: The board has asked for a full report on what has happened. That report will be provided by the executive team.

Q134 (23.01.08) Clive Efford: Do you think it is timely? Do you think you have been working—
Sir Ian McAllister: I think they are going as fast as they possibly can. As Iain was saying, we discussed this at length at the board meeting last week but what we had was a preliminary report rather than a complete report. It does take time to get to the bottom of these issues. You have suggested that certain payments were being made by contractors. That will have to be investigated. These things do take time.

Q135 (23.01.08) Mr Martlew: Can I take you back to the board meeting in December, Sir Ian? The plans for Rugby, the plans for Liverpool Street and all the other plans for the work over the bank holiday were presented to the board, were they not?
Sir Ian McAllister: No, they were not. The issue there was that at the time the company had asked for an additional day to do the work at Rugby. Virgin had objected to that and had applied to the Office of Rail Regulation for a ruling on whether or not that extra day should be given. The Office of Rail Regulation agreed that that day should be given. The board were advised of all the necessary details supporting that and at the same time the executive team have all these major reviews that take place to determine whether there is a go/no go decision. Ian sought assurances from the various companies that the blockades would take place and the work would be delivered.
Q136 (23.01.08) Mr Martlew: At any point was the board told of all the works that were going to go on over this period?

Sir Ian McAllister: The board was aware of all of those, but the board does not get a regular schedule of every single possession that is taking place because there are about 100,000 possessions a year. What the board is looking for is assurance on certain issues. At a December meeting, or rather shortly after a December meeting, I asked for a paper to be presented to the January board that was going to look at the whole of the possessions on the West Coast Main Line throughout the whole of 2008 and what the appropriate risks were to the delivery of the December 2008 timetable. That paper was overtaken by events over Christmas.

Q137 (23.01.08) Mr Martlew: I am sorry, Sir Ian, I have probably not explained myself very well. It is becoming apparent that Network Rail had overstretched itself throughout the rail network over this period. Did your board sanction that work at any point?

Mr Coucher: Can I just add——

Q138 (23.01.08) Chairman: No, I think the Chairman was being asked. Mr Coucher, we would be delighted to talk to you in a moment.

Sir Ian McAllister: The answer to the question is: no, the board did not go through every single possession and review the work.

Q139 (23.01.08) Chairman: You did not think it was surprising that you were only told four hours before the services were resumed? You told us that you were given the information then.

Ian McAllister: That was Liverpool Street. The information about the overrun, as I recall, only occurred around 2 o’clock in the morning of that day. I was called first thing in the morning and told that there was going to be an overrun. It was very late-running information.

Chairman: A lot of it was late-running, yes.

Q140 (23.01.08) Mrs Ellman: Mr Coucher, in the written evidence from Network Rail you say that you need to involve key stakeholders, such as train operators and passengers, for an earlier and major blockade. How are you going to do that?

Mr Coucher: What has happened in the past is that largely we have advised train operating companies and freight operating companies that we are taking this piece of work and they have been assured that we will return it back to them in good time. Our track record is such that we do this week in and week out. What I think we would like to do more of is talk to train operating companies about the design for the specific work that we are doing so that if there is the possibility of an overrun, we could provide some train services, if not the full service. For example, if you take Liverpool Street as an example, rather than have the whole lot come back on line in one go, we could do it in two halves so that if the second half overran, then at least half the train station would be operational so we could get some services, or we could design the train service which would rely on diesel trains rather than electric trains. I think we want to have an early conversation which is a lot more along the lines of planning for the possible failure rather than always assuming that we will be successful.

Q141 (23.01.08) Mrs Ellman: What do you do now? Do you have no discussions of that nature?

Mr Coucher: We do have lots of discussions about what we are going to do but I think there is a lot more involvement we could have with the train and freight operating companies about what we would do if it goes wrong, or could we design what we do in a way that makes it easier to run a passenger service in the event of something going wrong. It is something that we have not done enough of in the past. We have discussed with train operating companies how we might do that in the future.

Q142 (23.01.08) Mrs Ellman: You say that in the future you want contingency plans to be signed off by the train operators. Would they be in a position to do that? Would they have enough information? Is that just a way of trying to put your responsibly on their shoulders?

Mr Coucher: No, not at all. We want to sit down with the train operating companies and talk about the specific piece of engineering work that says, “What would we do if the work ran over two hours? Would we cancel trains or would we use buses? Would we divert passengers to a different station? Have we got spare capacity on that line to do that? What would we do?” We would scenario test that a lot more robustly as to what we might do with them.

Q143 (23.01.08) Mrs Ellman: So it was simply about how to solve a specified problem. You would not be involving the operators in assessing whether there is likely to be a problem?

Mr Coucher: I think we would like to make them aware of the size and complexity of the challenge we have, but I am not entirely sure that the train operating companies have the skills to understand the engineering work that we are doing and the risk involved. We would happily share that with them.

Q144 (23.01.08) Chairman: Mr Coucher, if you are going to give people information earlier on, it would be helpful if you knew what was going on yourself, would it not?

Mr Coucher: We were trying to get both train services back on time with no overruns. When things need to be re-planned at very short notice, it is difficult to be absolutely precise about when things will come back on line.

Q145 (23.01.08) Chairman: You accepted all the contractors’ estimates of the numbers of overhead line engineers they had, although you knew that you
had been employing fewer and fewer yourselves for some years and relying almost entirely on contractors. Is that right?

Mr Coucher: No, that is not right. We have been gradually increasing the number of overhead line resources we have internally. We have very significantly ramped up the resources that we have for overhead line engineers in the East Anglia area and on the East Coast, and we have a rolling programme of renewals that we have been doing with our own people, so we have been increasing numbers rather than decreasing them.

Chairman: We should like some more notes from you all. Gentlemen, we will conclude this session. Thank you Mr McCarthy and Mr Kirby. Sir Ian and Mr Coucher will remain in their places.
Written evidence

Memorandum from Network Rail (EOR 01)

1. INTRODUCTION

1.1 The Committee has decided to take evidence from Network Rail on 23 January on the engineering over-runs that occurred at the beginning of the year. To assist the Committee this paper sets out an outline of the works undertaken at that time, the initial findings of our investigations into the matter and an indication of the actions that the Board of Network Rail has already decided to undertake to respond to the issues and difficulties uncovered.

1.2 Everyone at Network Rail is sorry for the disruption and delay experienced by passengers and freight users as a result of these over-runs. The company understands the frustration it has caused and has apologised publicly to all of its customers.

1.3 When Network Rail assumed responsibility for the rail network in October 2002 it faced a series of major infrastructure challenges. Over the last five years these have included:

- addressing decades of under investment and 4,000 miles of backlogged track renewal;
- getting costs of the West Coast Main Line project under control;
- growing the infrastructure to meet the capacity demands of a growing industry; and
- delivering a 31% reduction in the cost of running the railway by April 2009 (by April 2006 Network Rail had delivered a 26% reduction).

1.4 Network Rail has responded to these challenges. Progress has been made and train performance is now at 89.2% compared with 78.6% when Network Rail took responsibility for the rail network. This improvement has been delivered at a time when the railway is at its busiest for 50 years.

1.5 To achieve these improvements Network Rail delivers more than 100,000 works each year which require it to take possession of the railway. On any one weekend Network Rail carries out 500 enhancement schemes.

1.6 Projects were not delivered as planned in three locations over Christmas and New Year. Network Rail has established investigations into the over-runs and has fully involved senior representatives of the train operating companies. The purpose has been to learn lessons and prevent, where possible, future disruption to passengers. A summary of emerging conclusions and recommendations can be found in section 8 (p 10) of this written submission.

1.7 The Office of Rail Regulation (ORR) confirmed last week that it had launched its own urgent investigation; reviewing the planning and management of Network Rail’s works, assessing its project planning and the management and resourcing of projects. This investigation will also look at the company’s communications with the train and freight operators. Network Rail will cooperate fully with this investigation.

1.8 In addition, Network Rail welcomes the opportunity to appear before the Transport Committee and present the facts to Parliament.

2. WEST COAST MAIN LINE (PROJECT OVERVIEW)

2.1 The West Coast upgrade is the UK’s biggest and most complex railway improvement scheme, involving complex work at many locations on the line between London and Scotland, via Birmingham/Manchester/Liverpool. The route comprises some 1,660 track miles and 2,800 signals including 13 major junctions and 10,000 bridge spans.

2.2 Following its approval by the Rail Regulator in 1998, the West Coast project quickly ran into difficulties. The Regulator took enforcement action against Railtrack but little progress on delivering the scheme was made. By the time Network Rail took over in 2002 the estimated final cost of the West Coast project had increased to £14.5 billion.

2.3 Network Rail has worked hard to bear down on costs and improve management of the project. The projected cost today is £8.6 billion, well within the £9.9 billion funding requirement set out in June 2003.
2.4 The National Audit Office has endorsed the view that the project has made significant progress in recent years. In a report published on 22 November 2006, it concluded:

“When the Strategic Rail Authority stepped in, the project to modernise the West Coast Main Line was in disarray, vastly over-budget and with few of the planned improvements in place. It was only through good direction by the Strategic Rail Authority and then the Department for Transport and through the exercise of firm management by Network Rail that the project was brought back on track so that benefits of faster journeys are now being delivered to passengers”

“To date, Network Rail has delivered the new strategy for the line on time, achieving benefits for passengers, including shorter journey times and improved punctuality”

(The Modernisation of the West Coast Main Line, HC 22, 2006-07).

2.5 As the Committee knows, the upgrade scheme is important for passengers, for the rail industry and for the economy, particularly since demand is projected to grow on the route over the coming years. Network Rail has already delivered significant benefits. For example, in September 2004 the first 125mph Pendalino train operated on the route, reducing journey times between London and Manchester by 25 minutes. Further improvements were delivered in December 2005, with line speed improvements north of Crewe reducing journey times for passengers travelling between London and Glasgow by a further 15 minutes.

2.6 The evidence suggests that faster and more comfortable journeys are attracting passengers to the railway. Following the delivery of the December 2005 benefits there has been a 40% reduction in air travel between London and Manchester.

3. West Coast Main Line (Delivery)

3.1 Network Rail has a regulatory commitment to deliver a number of work packages to enable a revised timetable to be launched on the West Coast Main Line by December 2008. In the interests of passengers, Network Rail is reviewing the risks and access options associated with delivering this regulatory commitment.

3.2 The work that Network Rail has a regulatory commitment to deliver will lead to further line speed improvements on the West Coast Main Line, bringing the journey between Manchester and London down to less than two hours for the first time. For the first time it will be quicker to travel from London to Glasgow by train than from London to Edinburgh.

3.3 The work will enable one third more trains to use the West Coast Main Line, with the number of trains leaving London increasing from nine to 13 at peak hours and from six to 11 during the off-peak period. This increase will generate substantial additional revenue. The frequency of services to both Birmingham and Manchester is planned to increase by 50%, while hourly services will run to Liverpool, Chester and Preston. Increasing route capacity on the West Coast will also allow for a 60–70% growth in freight traffic.

3.4 The table below shows planned improvements to journey times as a result of the West Coast Main Line works:

<table>
<thead>
<tr>
<th>Location</th>
<th>2003</th>
<th>December 2008</th>
<th>Improvement to Journey Times</th>
</tr>
</thead>
<tbody>
<tr>
<td>Birmingham New Street</td>
<td>1 hour 43 1</td>
<td>1 hour 23 1</td>
<td>20 mins</td>
</tr>
<tr>
<td>Manchester</td>
<td>2 hour 41 2</td>
<td>1 hour 58 2</td>
<td>43 mins</td>
</tr>
<tr>
<td>Liverpool</td>
<td>2 hour 53 2</td>
<td>2 hour 07 2</td>
<td>46 mins</td>
</tr>
<tr>
<td>Glasgow (fast)</td>
<td>5 hour 06 5</td>
<td>4 hour 10 5</td>
<td>56 mins</td>
</tr>
</tbody>
</table>

3.5 Around 5,000 additional car parking spaces are planned for delivery at major stations on the route, broadly doubling the car parking capacity.

3.6 The table below shows current progress on the remaining parts of the West Coast Main Line project:

<table>
<thead>
<tr>
<th>Project</th>
<th>% Complete</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trent Valley Four Tracking</td>
<td>84</td>
</tr>
<tr>
<td>Rugby</td>
<td>52</td>
</tr>
<tr>
<td>Nuneaton</td>
<td>43</td>
</tr>
<tr>
<td>Milton Keynes</td>
<td>42</td>
</tr>
<tr>
<td>Northampton Signalling Re-control</td>
<td>21</td>
</tr>
<tr>
<td>Power Supply Grade</td>
<td>87</td>
</tr>
<tr>
<td>Line Speed Profile (LSP) A09</td>
<td>7</td>
</tr>
<tr>
<td>Crewe Weaver Remodelling</td>
<td>46</td>
</tr>
</tbody>
</table>
4. **Christmas and New Year, 2007–08**

4.1 The period 24 December 2007 to 2 January 2008 was the most intensive period of engineering at Christmas since rail privatisation:

- £123 million of work was delivered;
- in excess of 1.2 million hours were worked;
- 1,100 possessions were taken, with 2,300 work sites in total; and
- approximately 5,000 people were working on the railway at any one time.

4.2 The intensity of this work programme reflects the considerable increase in the volume of improvement work undertaken in recent years, with the aim of increasing the life expectancy of the railway and supporting future growth. Compared with 1999–2000 there has been an increase:

- 366% increase in points installed each year (130 units–476 units);
- 212% increase in ballast renewed each year (249 miles–528 miles); and
- 200% increase in rail laid each year (321 miles–639 miles).

4.3 Investigations into the January 2008 over-runs are being carried out. These include meetings between Network Rail’s Board and senior representatives from all relevant contractors to establish why assurances were given before Christmas that the work would be completed on time. Network Rail has also held discussions with relevant train operators. The investigations have already led to several recommendations aimed at improving work practice where major works are being delivered. These are outlined on page 10 of this briefing paper.

4.4 Network Rail is also fully cooperating with the Office of Rail Regulation as it conducts its own investigation.

5. **Communicating with Passengers and the Public**

5.1 Network Rail recognises that it has a responsibility to work with train operators to make sure that accurate information is put into the public domain where our work impacts on passengers. A variety of communication channels were used to keep passengers informed throughout. These included regular updates on websites, help lines and national rail enquiries as well as the media before work commenced.

5.2 When it became clear that an extra day (31 December) was required for the Rugby blockade, Network Rail briefed passenger groups and communicated the message widely through the media. All affected stations and the Network Rail helpline were provided with up to date information throughout. Newspaper adverts were taken out by Virgin trains between Christmas and New Year.

5.3 During the over-runs Network Rail provided passengers and other external stakeholders with accurate information about what was happening and why. Regular information updates were provided at stations, via the helpline and relevant websites. The company worked closely with the media: Network Rail executives undertook more than 25 broadcast interviews between 2 and 5 January. Regular media updates were issued and transport and business print journalists were regularly briefed by the CEO and the Network Rail media team to see that information in the public domain was accurate.

5.4 As soon as Network Rail had certainty regarding when services could resume these dates and times were immediately communicated to the public and stakeholders via a number of communications channels, including broadcast media.

5.5 A joined up approach (with Virgin trains) to communicate with the public and other stakeholders was sought by Network Rail well in advance of the public announcement on 19 December that the blockade would be extended to include 31 December.

6. **Rugby**

6.1 The work at Rugby station is part of a £415 million work package being delivered at Rugby/Nuneaton as part of the West Coast Main Line project. It will enable trains to travel at 125 mph through the station.

6.2 The Rugby/Nuneaton project is hugely complex requiring work on eight bridges, two new platforms (three platform faces), 34 km of track and 5.1 km of temporary track, 44 km of overhead contact wire, 280 OLE structures and 450 foundations, 92 point ends, 16 Solid State Interlockings (SSIs) (equivalent to 638 SEUs [units of signalling work]) and two temporary Interlockings. The scale of the work at Rugby/Nuneaton is demonstrated by the fact that Milton Keynes/Bletchley has just six SSIs, Trent Valley six, Coventry five, Port Talbot five and Glasgow Central seven.

6.3 The work is being delivered in multiple phases, with each phase requiring 54 hour possessions of the railway at successive weekends and culminating with a longer blockade. The work at Rugby over Christmas/New Year 2007–08 was the culmination of one of these phases. It included installing more than 5 km of overhead line, removing and relocating 25 sections of overhead wire, and bringing into use 5.3 km of new track, 15 new sets of points and 18 new signals.
6.4 Bechtel is the Programme Manager for the work at Rugby. There is a joint Network Rail/Bechtel engineering team to support delivery of the project. Work packages are contracted out for delivery on track, OLE, signalling and civils.

6.5 The completed work at Rugby is critical to the delivery of Network Rail’s regulatory commitments on the West Coast Main Line.

6.6 The purpose of the work was to rearrange the track layout to enable all trains to use the north of the station. This enables improvement work at the south of the station to take place, while maintaining agreed train service levels on the West Coast Main Line during 2008. The two diagrams below show changes to the track layout at Rugby station as a result of this work:

6.7 Network Rail has conducted initial internal investigations into what has happened to cause the overrun at Rugby. These investigations found that the work as planned was deliverable within the blockade, as was confirmed by the risk reviews carried out at a number of stages in advance of works beginning. However, there were clearly difficulties in delivery on the ground.
6.8 As the Committee has already heard in evidence from Virgin Trains, regular contact was held with the train operating companies throughout the build up to the planned blockade and during the over-runs.

6.9 A timeline of events at Rugby in the build up to the planned Christmas blockade is outlined below:

2006

<table>
<thead>
<tr>
<th>August</th>
<th>Rugby possession booked by Network Rail as a six day blockade.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>2007</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>30 October</td>
<td>Risk review conducted. All clear given.</td>
</tr>
<tr>
<td>24–25 November</td>
<td>Points failure north of Rugby prevents preparatory engineering work.</td>
</tr>
<tr>
<td>27 November</td>
<td>Risk review conducted (T-4 weeks). Requirement for additional time recognised.</td>
</tr>
<tr>
<td>28 November</td>
<td>Informal discussions held with Virgin trains regarding potential need for additional day blockade.</td>
</tr>
<tr>
<td>1–2 December</td>
<td>High winds prevent preparatory work on Overhead Lines.</td>
</tr>
<tr>
<td>6 December</td>
<td>West Coast Operations Group meets (Virgin trains present)—Discussion starts on additional days required. Network Rail offers 15 or 31 December. Virgin supports neither but states preference for 31 December.</td>
</tr>
</tbody>
</table>

| 7 December | Virgin trains informed that a solution has been found and the additional day is not required. |
| 8–9 December | Access problems for engineering train causes delay to preparatory work. |
| 10 December | Network Rail confirms that the additional access is now required. Meeting held with Virgin to discuss compensation. Virgin requests £32 million for all 2008 access and sets a deadline of 12 December for a decision. |
| 12 December | Formal discussion with Virgin trains. |
| 14 December | Network Rail informs Virgin trains of formal decision to proceed with additional day blockade. Virgin seeks ORR intervention. |
| 17 December | Network Rail shares detail of plans with Passenger Focus. |
| 18 December | ORR writes to Network Rail regarding Virgin concerns on additional possession. |
| 19 December | Network Rail responds. ORR agrees to additional possession day on 31 December. Network Rail issues a press statement and briefs journalists. Virgin customers notified of additional day possession. Virgin trains stops selling tickets for 31 December. |
| 24 December (2330) to 1 January (0520) | Senior Network Rail team updated on progress every 12 hours as standard. |

6.10 A timeline of events at Rugby during and after the planned Christmas blockade is outlined below:

2007

| 24–26 December | Slippage on track work; OLE out of sequence; Poor productivity on contractor OLE work scope; Senior NR/project team updated every 12 hours. |
| 27 December | Problems identified with OLE contractor in terms of site management. Level of contact between project and Network Rail senior team increased significantly. Discussions between Rugby Project Director and Network Rail Director of Infrastructure Investment increases to every 2/3 hours. Involvement includes chairing conference calls and resource discussions with Network Rail managers and contractor MDs across the country to identify extra resource. Resource is moved from other Network Rail sites to assist, including 60 maintenance staff and additional equipment. Resource not fully utilised by OLE contractor on site. |
| 28 December | Network Rail Director of Operations and Customer Services attends site. |
| 30 December | Signalling work completed. |
| 31 December | Over-run on OLE work declared. Network Rail team established in Birmingham and on site. |
| 31 December–4 January | Frequent updates to travel bulletins issued through industry channels including websites, help lines and national rail enquiries. At an early stage updates through these channels were prioritised. |

2008

| 1 January | 0520 hrs deadline for hand back is missed. Gold Command/Silver Command structure formally set up. |
| 1–4 January | Gold Command leads recovery plan. Network Rail Director of Infrastructure Investment on site from 2 January. |
2–4 January
Regular proactive updates to stakeholders and print media, including management of broadcast media.

3 January
Certainty regarding hand back time is established. Immediate action taken to communicate this to public and stakeholders including all broadcast.

4 January
Site handed back 0330 hrs, 3 days late.

7. LIVERPOOL STREET

7.1 The work at Liverpool Street was substantial, with a number of different work packages being delivered simultaneously in order to make maximum use of the time the railway was closed and avoid the need for further line closures.

7.2 A possession of the railway was booked between 23 December (0200 hours) and 2 January (0400 hours). Network Rail’s work included the demolition of a 15,000 tonne bridge involving 1,000 lorry movements, renewal of 17 km of overhead lines (OLE), the extension of Stratford station DLR, 548 track welds, the Westfield signal box was demolished, 2.5 km of plain line and 18 point ends at Shenfield were replaced and 2.8 km of new track laid at Bethnal Green, Bow Junction and Seven Kings.

7.5 Risk reviews were carried out at a number of stages prior to the work commencing. Reviewing the work plan shows it was achievable and did reflect the work scope to be delivered during the blockade.

7.6 Some slippage occurred during the blockade but was recovered by management action, with Network Rail bringing across maintenance staff to support.

7.7 All slippage was reported as recoverable until 2000 hours on 1 January 2008, when an over-run of up to two hours was forecast. Slippage then occurred progressively as the scale of snagging (testing/finishing) had not been correctly scoped.

7.8 Supervision/management practices by the OLE contractor were not of sufficient scale. Its labour force was not productive: the fact that 80% of staff were sourced from agencies is relevant.
8. CONCLUSIONS AND RECOMMENDATIONS

8.1 Everyone at Network Rail is sorry for the disruption and delay experienced by passengers and freight users as a result of the over-runs. The company understands the frustration it has caused and has apologised publicly to all of its customers for that and for the impact on the reputation of the rail industry.

8.2 The blockade at Rugby over-ran because of a failure to assess accurately the level of resource available, and because too little scope for slippage was built into the work programme. On the ground, site co-ordination and control was inadequate to deal with problems as they emerged, with the OLE (Overhead Lines) contractor having low productivity, inadequate supervision and high levels of agency staff.

8.3 Network Rail’s investigations demonstrate that greater involvement from train operators and other stakeholders is required as standard for future blockades on major works. Industry Command Centres should be established as standard during large blockades (rather than only once problems emerge), giving TOCs greater visibility over works. Operational contingency plans should be agreed earlier and signed off by key stakeholders, including the train operators.

8.4 A restructuring of the OLE supply chain is necessary to provide greater security on future major works. Benefits would result from Network Rail building greater in-house capability and contractors increasing core staff numbers (leading to reduced agency dependency). It is recommended that Network Rail controls national OLE resource capability/availability. This would replicate the model used on signalling.

8.5 Network Rail’s investigations also recommend a more in-depth risk based capacity modelling of the national work bank during bank holiday periods, together with a review of Bechtel planning/risk management processes to establish why assurances on delivery given to Network Rail before Christmas were not delivered.

8.6 Network Rail has a regulatory commitment to deliver a number of work packages to enable a revised timetable to be launched on the West Coast Main Line by December 2008. In the interests of passengers, Network Rail is reviewing the risks and access options associated with delivering this regulatory commitment.

January 2008

Supplementary memorandum from Network Rail (EOR 01A)

Please find enclosed the information on reliability on the West Coast Main Line requested by the Committee.

As I said in my evidence to the Committee in January, Network Rail is fully aware of the disruption caused to passengers and other railway users by the overrunning engineering works at New Year; it was unacceptable and we know these problems damaged not just Network Rail’s reputation, but the reputation of the whole rail industry.

Since 2002, the industry has worked exceptionally hard to create a rail service people can depend on. And, largely, we have delivered on our promises. Rail punctuality is at its highest level for a decade and set to go higher still in the coming years, we are running record numbers of trains and there are more than a billion passenger journeys per year.

More recently, there was some disruption on the West Coast Main Line as a result of cabling failures in the Milton Keynes and Bletchley area. This was caused by the repeated failure of the power supply system that supports the signalling system. When this fails, the signals all turn to red, causing significant delays to passengers.

We had already been planning to replace the power supply system as it is very old and inappropriate for the high speed, high frequency service we are seeking to introduce. However, you will be pleased to hear that we accelerated this part of the programme, and work to replace almost 14 miles of old signalling power cable in the Milton Keynes and Bletchley areas has now been completed.

In total, almost £3 million will be spent on replacing 60 miles of this 650v cable on the West Coast Main Line. This is cable that supplies power to the signalling system and is essential for delivering a reliable train service before the end of the year as part of the ongoing West Coast project.

The West Coast Main Line is the UK’s busiest mixed traffic railway and a leading European rail artery, with over 2,000 train movements each day, and more than 75 million journeys made on the route each year. Every three to four minutes a train leaves Euston heading north, and it is in this context that the attached information should be viewed. Additionally, of course, the enclosed information only relates to those delays attributed to Network Rail, and not those attributed to train operators.

I trust this will be of assistance to the Committee. Please do not hesitate to contact me if you require any further information.
WEST COAST MAIN LINE
INCIDENTS CAUSING DELAY ON THE WEST COAST MAIN LINE
(1 JANUARY TO 24 MAY 2008)
SUPPLEMENTARY EVIDENCE FROM NETWORK RAIL

Table 1

INCIDENTS CAUSING MOST SIGNIFICANT DELAYS (1 JANUARY TO 24 MAY 2008)

The following table contains details of those incidents causing delay to trains on the West Coast Main Line which were attributed to Network Rail in the period between 1 January and 24 May 2008 and in excess of 500 minutes. This table excludes those delays attributed to train operators over the same period.

<table>
<thead>
<tr>
<th>Date</th>
<th>Cause</th>
<th>Location</th>
<th>Delay Minutes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 January</td>
<td>Possession over-run from planned work</td>
<td>Rugby</td>
<td>13,143</td>
</tr>
<tr>
<td>18 April</td>
<td>Cable fault/fire due to cable fault</td>
<td>Hanslope Junction</td>
<td>7,005</td>
</tr>
<tr>
<td>15 May</td>
<td>Power failure</td>
<td>Bletchley</td>
<td>6,670</td>
</tr>
<tr>
<td>20 January</td>
<td>Cable fault/fire due to cable fault</td>
<td>Preston</td>
<td>6,280</td>
</tr>
<tr>
<td>1 February</td>
<td>Fire external to railway infrastructure</td>
<td>King's Langley</td>
<td>5,901</td>
</tr>
<tr>
<td>18 March</td>
<td>Fatalities/injuries caused by being hit by train</td>
<td>Harrow &amp; Wealdstone</td>
<td>5,871</td>
</tr>
<tr>
<td>21 January</td>
<td>Severe weather not snow affecting infrastructure</td>
<td>Lancaster</td>
<td>5,545</td>
</tr>
<tr>
<td>6 May</td>
<td>Cable fault/fire due to cable fault</td>
<td>Bletchley</td>
<td>5,493</td>
</tr>
<tr>
<td>27 Mar</td>
<td>Fatalities/injuries caused by being hit by train</td>
<td>Harrow &amp; Wealdstone</td>
<td>4,851</td>
</tr>
<tr>
<td>19 May</td>
<td>Formal Inquiry—other Operators</td>
<td>Lichfield Trent Valley</td>
<td>4,414</td>
</tr>
<tr>
<td>12 March</td>
<td>Cable vandalism/theft</td>
<td>Rugby</td>
<td>4,040</td>
</tr>
<tr>
<td>2 April</td>
<td>Earthslip/subsidence/breached sea defences</td>
<td>Hanslope Junction</td>
<td>3,644</td>
</tr>
<tr>
<td>27 April</td>
<td>Cable fault/fire due to cable fault</td>
<td>Bletchley</td>
<td>3,589</td>
</tr>
<tr>
<td>5 Feb</td>
<td>Fatalities/injuries caused by being hit by train</td>
<td>Willesden West London Junction</td>
<td>3,564</td>
</tr>
<tr>
<td>13 January</td>
<td>Speed restriction due to cancelled possession/work not completed</td>
<td>Colwich</td>
<td>3,135</td>
</tr>
<tr>
<td>2 April</td>
<td>Fatalities/injuries caused by being hit by train</td>
<td>Stafford</td>
<td>3,032</td>
</tr>
<tr>
<td>16 May</td>
<td>Cable vandalism/theft</td>
<td>Northampton</td>
<td>2,598</td>
</tr>
<tr>
<td>16 Apr</td>
<td>Power failure</td>
<td>Preston</td>
<td>2,469</td>
</tr>
<tr>
<td>20 April</td>
<td>Rolling Contact Fatigue</td>
<td>Willesden West London Junction</td>
<td>2,438</td>
</tr>
<tr>
<td>27 February</td>
<td>Trackwork speed restriction within Rules of the Route</td>
<td>Ledburn Junction</td>
<td>2,426</td>
</tr>
<tr>
<td>5 April</td>
<td>Staff error</td>
<td>Rugby</td>
<td>2,305</td>
</tr>
<tr>
<td>9 February</td>
<td>Fire external to railway infrastructure</td>
<td>London Euston</td>
<td>2,188</td>
</tr>
<tr>
<td>4 January</td>
<td>Overhead line/third rail defect</td>
<td>Rugby</td>
<td>2,135</td>
</tr>
<tr>
<td>13 March</td>
<td>Power failure</td>
<td>Warrington Bank Quay</td>
<td>2,129</td>
</tr>
<tr>
<td>14 April</td>
<td>TPWS On-track-equipment failure</td>
<td>Willesden West London Junction</td>
<td>2,011</td>
</tr>
<tr>
<td>15 May</td>
<td>Track circuit/Axle counter failure</td>
<td>Nuneaton</td>
<td>2,009</td>
</tr>
<tr>
<td>20 February</td>
<td>Points failure</td>
<td>Rugby</td>
<td>1,932</td>
</tr>
<tr>
<td>8 May</td>
<td>Power failure</td>
<td>Northampton</td>
<td>1,909</td>
</tr>
<tr>
<td>30 April</td>
<td>Trackwork speed restriction within Rules of the Route</td>
<td>Lichfield Trent Valley</td>
<td>1,866</td>
</tr>
<tr>
<td>20 February</td>
<td>Power failure</td>
<td>Preston</td>
<td>1,863</td>
</tr>
<tr>
<td>20 February</td>
<td>Broken/cracked/twisted/buckled/flawed rail</td>
<td>Preston</td>
<td>1,834</td>
</tr>
<tr>
<td>16 January</td>
<td>Track defects (other than rail defects ie fish plates, wet beds etc)</td>
<td>Crewe</td>
<td>1,741</td>
</tr>
<tr>
<td>9 May</td>
<td>Track circuit/Axle counter failure</td>
<td>Lichfield Trent Valley</td>
<td>1,710</td>
</tr>
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<td>Northampton</td>
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<td>Track defects (other than rail defects ie fish plates, wet beds etc)</td>
<td>Colwich</td>
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<td>Miscellaneous items on line (incl trees) due to effects of weather</td>
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<td>Colwich</td>
<td>503</td>
</tr>
</tbody>
</table>
Table 2

OVERVIEW OF INCIDENTS AND DELAY MINUTES (1 JANUARY TO 24 MAY 2008)

The following table contains a summary of those incidents causing delay to trains on the West Coast Main Line which were attributed to Network Rail in the period between 1 January and 24 May 2008. It should be noted that the delay minutes figure is an aggregate total. In other words, a delay of five minutes could be a delay of a single minute to five trains or a delay of five minutes to a single train. This table also excludes those delays attributed to train operators over the same period.

<table>
<thead>
<tr>
<th>Delay minutes</th>
<th>Number of incidents</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; 1,000 minutes</td>
<td>67</td>
</tr>
<tr>
<td>&gt; 500 minutes</td>
<td>171</td>
</tr>
<tr>
<td>&gt; 100 minutes</td>
<td>919</td>
</tr>
<tr>
<td>&gt; 30 minutes</td>
<td>1,933</td>
</tr>
<tr>
<td>&gt; 10 minutes</td>
<td>3,204</td>
</tr>
<tr>
<td>&gt; 5 minutes</td>
<td>4,171</td>
</tr>
<tr>
<td>&lt; = 5 minutes</td>
<td>4,145</td>
</tr>
<tr>
<td>Total</td>
<td>8,316</td>
</tr>
</tbody>
</table>

Iain Coucher
July 2008

Memorandum from Bechtel Limited (EOR 02)

1. EXECUTIVE SUMMARY

1.1 We share Network Rail’s regret for the disruption caused to railway customers and the travelling public as a result of the overrun at Rugby.

1.2 Network Rail is conducting an investigation into the causes of the Rugby overrun. The Bechtel and Network Rail personnel, who form the integrated programme management team, are supporting Network Rail’s investigation and Network Rail’s input to the Office of Rail Regulation (ORR) investigation.

1.3 Bechtel’s senior management has reviewed the initial findings of the programme management team. Our informed view is:

1.3.1 The Rugby project is a complex project. Consequently, the amount of planning that the project management team undertook was appropriate, extensive and robust.

1.3.2 All parties agreed that the planned work scope was achievable. Even with the benefit of hindsight, it is acknowledged that the planned work scope was achievable.

1.3.3 For the first time, in our six years’ involvement with the West Coast Route Modernisation (WCRM) programme, the availability of Overhead Line Equipment (OLE) human resources (supervisors and linesmen) proved to be unpredictable. OLE human resources had never been a problem on previous WCRM blockades.

1.3.4 The contractor responsible for the track and OLE works failed to mobilise sufficient human resources to complete the works as planned and were unable to support recovery efforts.

1.3.5 During the blockade and as events unfolded, the project management team intervened in the contractors’ management of these human resources as part of a recovery plan. The project management team took extraordinary measures to secure additional OLE human resources in order to seek to complete the blockade on time.

1.3.6 All the management systems, procedures and controls that have supported the successful completion of projects and their related blockades on the West Coast Route Modernisation programme since 2002 were implemented for the Rugby Christmas blockade.

1.3.7 Notwithstanding this, there was an overrun. It is important that a thorough investigation is completed so that lessons can be learned for other major infrastructure projects going forward.

1.4 This paper sets out facts relating to the management of the WCRM programme, its achievements to date, and details of the Rugby project and the blockade. It outlines the extensive planning for the blockade, together with the management controls and actions taken during the blockade.

1.5 This paper does not address any issues relating to any other overrunning projects undertaken during the Christmas 2007 period. It would be inappropriate for us to comment on projects with which Bechtel had no involvement.
2. **The West Coast Route Modernisation (WCRM)**

2.1 The WCRM programme involves the renewal and upgrading of the UK’s busiest mixed use railway line: the route links London Euston to Birmingham, Manchester, Liverpool and Glasgow and is used by more than 2000 trains a day, carrying passengers and freight.

3. **Bechtel’s Role**

3.1 In 2002, Railtrack (which at the time was in administration) appointed Bechtel to drive forward the delivery programme for the WCRM programme, and to strengthen, provide leadership, and direction to the existing programme management team.

3.2 Bechtel is not the contractor responsible for delivering the physical works on the railway. Bechtel, as part of the integrated management team with Network Rail, is responsible for programme management of the WCRM programme. This integrated programme management team is currently composed of 575 people, including 100 Bechtel employees and 313 Network Rail employees.

3.3 In 2002, Bechtel and the Strategic Rail Authority (SRA) re-scoped the programme and re-phased the works to bring down projected cost and to focus on the delivery of improved journey times and increased capacity.

3.4 Once appointed in 2002, Bechtel, working within an integrated WCRM programme management team, comprising Bechtel and Railtrack (later Network Rail personnel) directed the following actions:

3.4.1 The integrated programme management team was restructured to streamline decision making.

3.4.2 The programme management team was decentralised so that appropriate members were brought closer to work sites, aligning with Network Rail’s West Coast local organisations, to ensure closer control over commissioning and delivery of work. For example, the Rugby-Nuneaton project is managed on day-to-day basis by an integrated project management team.

3.4.3 Support was provided for Network Rail to change from a retrospective risk analysis approach to proactive risk management and mitigation.

3.4.4 Improved work measurement systems were implemented, applying weightings to different activities.

3.4.5 The implementation of improved out turn cost forecasting mechanisms, enabling managers to prepare action plans to maintain progress.

3.5 As a result, for the first time, regular reporting of key programme risks to the Department of Transport/SRA and the ORR was possible. The programme management team continues to report on a four weekly basis.

3.6 An independent report to the ORR, produced by civil engineering consultancy Halcrow in 2006–07 on Network Rail’s “major projects”, in considering the WCRM states:

> “It is our view that the level of programme management expertise and concerted application of project management techniques, applied so successfully to this programme, should be applied in an appropriate manner on future Network Rail major programmes of work in order to increase their certainty of success.”

4. **West Coast Route Modernisation Programme Achievements**

4.1 The integrated programme management team has delivered every major timetable change on schedule, notably the introduction of new timetables in September 2004 (Stage 1) and December 2005 (Stage 2).

4.2 95% of major commissionings have been delivered on schedule.

4.3 Last year, 98.4% of all railway possessions implemented as part of the WCRM programme were handed back in time for operations to commence as planned.

4.4 The WCRM programme has been consistently one of the safest construction rail projects in the UK.

4.5 The integrated programme management team has delivered significant efficiencies on the programme.

4.6 The WCRM programme has already delivered journey time improvements and other passenger benefits in line with and, in some cases beyond, its business case according to a 2003 National Audit Office report.
4.7 All of the above have been achieved whilst the line has remained operational, with limited full access to the track for works.

5. Rugby-Nuneaton Project

5.1 Rugby-Nuneaton is the most complex project in the WCRM programme. As well as the logistics of installing 16 new solid state interlockings, 33,694 metres of track plus 5,140 metres temporary track, 92 switches and crossing point ends, 280 Overhead Line Equipment (OLE) structures and eight bridges; it is also technically demanding with an increase in line speed from 75 mph to 125 mph through Rugby, and a split equal turnout allowing 125 mph towards Birmingham, and 125 mph towards Nuneaton/Trent Valley.

5.2 Rugby is the “throat” of the West Coast route; all trains travelling both up and down have to pass through Rugby. The project is required to maintain two lines in each direction during week days and one line in each direction during weekends. Outside of blockades, full access for construction is only available for approximately nine hours between Saturday night and Sunday morning each week. The staging of the works at Rugby was critical for the operation of the December 2008 timetable, more so than any other project in the WCRM programme.

5.3 Benefits of the Rugby and Nuneaton projects are: journey time reductions; capacity improvements including removal of significant conflicts, the addition of three platform faces at Rugby, and the reconnection of the Birmingham–Leicester line with the West Coast Main Line at Nuneaton; renewal of life expired assets; operability improvements with the ability to close half of the Rugby layout for maintenance, and run a service on the other half.

5.4 Commissioning of the signalling works at Rugby is on the critical path of activities required to achieve the December 2008 timetable. It was therefore critical to complete the works planned for the Rugby project during the blockade for Christmas 2007, which would support the required signalling commissioning works in 2008.

6. Network Rail Investigation

6.1 Network Rail has been conducting an investigation into the Rugby overrun. Bechtel’s senior management has reviewed the initial findings of the programme management team. Our informed view is:

Planning

6.1.1 The time period within which works could be carried out was compressed by decision-making processes outside the control of the programme management team.

6.1.2 The final Rugby scheme was approved in April 2007. Access and staging planning to commission the signalling works commenced in 2005. For the Christmas blockade, the dedicated Rugby project planning team incorporated all activities (including engineering design, material supply, train planning, installation, and testing and commissioning) across all work disciplines (track, civil, OLE and signalling) into an integrated schedule.

6.1.3 The programme management team has been conducting Readiness Reviews on all projects since its work began on WCRM. Drawing on experience from previous project commissionings and blockades, Readiness Reviews on this project were undertaken at eight weeks, four weeks, and one week prior to the works. Each Readiness Review is a comprehensive analysis of the works to be undertaken in the blockade. Each meeting takes a full working day; all designer and contractor disciplines are required to be present; and include a full review of the integrated schedule. Schedule Quantitative Risk Assessments (SQRAs) are undertaken for each Readiness Review.

6.1.4 Given the complexity of the Rugby project, a significant amount of additional planning went into these works. For example, in addition to the standard readiness review process, a virtual reality four-dimensional model was used to support each review and better examine constructability issues.

6.1.5 Final design and inter-discipline design checks were completed in August 2007.


6.1.7 At the conclusion of the Readiness Review on 17 December, attendees confirmed they were comfortable with a “go” decision. This was subject to OLE human resources being validated. OLE human resources were indeed then validated with the OLE contractor by 20 December. The OLE contractor committed the required people by name for the blockade.
Weeks immediately preceding the blockade

6.1.8 In the weeks preceding the blockade, planned works were affected by several events, including a failure of the Rugby 521 points resulting in lost work, high winds (which prevented critical OLE works), late running of passenger and engineering trains, a train fire, and an incorrect engineering train configuration.

6.1.9 Consequently, additional works not originally planned for the blockade now needed to be undertaken during the Christmas blockade to avoid any impact on other work scheduled for 2008 schedule. As a result, proposals were made to extend the blockade for an additional day (31 December). The additional works were identified, resourced and planned for in the blockade schedule, and were achievable.

6.1.10 The SQRA carried out on 17 December gave the required degree of confidence that the works would be completed by 11.30 on 31 December (ie 5.5 hours early) with provision for 12 hours quality inspection. In addition, the analysis was based on an allowance for all OLE activities to take 20% longer than planned to account for factors such as the non-availability of staff.

The blockade

6.1.11 On 21 December the blockade started at 12.00 noon. There was limited access to sections of Rugby station, until 24 December at 23.30 when the entire Rugby station rail section was closed. Hand back was planned for 05.20 on 1 January.

6.1.12 There were early delays to works on the Permanent Way (or PWaY: effectively the track itself). However, the schedule was re-sequenced to reflect the PWaY slippage, which allowed the PWaY works to be completed within the original period of blockade.

6.1.13 OLE works did not start as planned as the OLE human resources assigned to the task were not available. From very early on in the blockade, it became apparent that significant numbers of the named people committed by the contractor, and verified by Network Rail, were not turning up as planned. This was unprecedented in the six years of working on the WCRM programme. The reasons why these people were not turning up has yet to be established. These people proved to be unavailable all the way through to the end of the blockade.

6.1.14 Progress against the schedule was reviewed on a 4-hourly basis throughout the blockade, with any delayed activities being reviewed for re-planning as necessary. The schedule was revised overnight 25–26 December, taking into account the numbers of OLE personnel who had arrived on site on Christmas Day. This rescheduling indicated a significant intrusion of the OLE works into the period for signalling testing (“Wheels Free” period).

6.1.15 Consequently, the project management team initiated contingency measures to reduce the risk of an overrun:

(i) OLE works were de-scoped by reducing functionality on the Down Coventry line, with the agreement of London NW Operations.

(ii) A revised signalling testing and commissioning strategy was implemented to provide priority areas for signal testing to progress while OLE works continued. This strategy provided an additional 27 hours to complete OLE work.

(iii) Actions were taken by the project management team to secure additional human resources.

(iv) The project management team secured additional site supervisory human resources from other WCRM projects.

6.1.16 These initiatives, which were agreed with Network Rail Operations and Network Rail’s Infrastructure Controller, were incorporated into the re-scheduled programme that supported on time hand back.

The overrun

6.1.17 During the period of 27 to 30 December, the programme management team considered that hand back would be achieved on the morning of 1 January. This assessment was based on the premise that the contractor-committed OLE human resources would report for duty as planned and would be supplemented by additional OLE human resources from other contractors and Network Rail organisations.

6.1.18 As it turned out, a significant proportion of the contractors’ human resources did not report to work as planned. As soon as this became apparent, the programme management team communicated with Network Rail senior management the urgent need for additional OLE supervisors and linesmen. All major OLE suppliers and Network Rail’s maintenance organisations were contacted, and all available human resources from other West Coast projects were directed to the Rugby project.

6.1.19 In the early hours of 31 December, the project management team identified that the blockade was going to overrun. This assessment was validated by the WCRM Programme Director and communicated to senior Network Rail representatives.
6.1.20 On 1 January Gold Command was established by Network Rail to co-ordinate communications with its customers and the travelling public. The programme management team continued to manage the delivery of works. In accordance with Gold Command procedures, the WCRM Programme Director was reporting to Gold Command every two hours, or as required.

6.1.21 The Rugby project management team continued to secure additional OLE human resources and deployed them to achieve the earliest hand back. Additional construction management personnel continued to be re-deployed from other WCRM projects to manage the remaining works.

6.1.22 It took a further three days to complete the commissioning due to the continued unpredictability of OLE human resources.

7. **In Summary, Our View is**

7.1 The Rugby project is a complex project. Consequently, the amount of planning that the project management team undertook was appropriate, extensive and robust.

7.2 All parties agreed that the planned scope or work was achievable. Even with the benefit of hindsight, it is acknowledged that the planned work scope was achievable.

7.3 The contractor responsible for the track and OLE works failed to mobilise sufficient human resources to complete the works as planned and were unable to support recovery efforts.

7.4 For the first time, in our six years’ involvement with the WCRM programme, the availability of OLE human resources proved to be unpredictable. OLE human resources had never been a problem on previous West Coast blockades.

7.5 During the blockade and as events unfolded, the project management team intervened in the contractors’ management of these human resources in order to effect and drive the recovery plan. The project management team took extraordinary measures to secure additional OLE human resources in order to complete the blockade on time.

7.6 All the management systems, procedures and controls that have supported the successful completion of projects on the West Coast Route Modernisation programme since 2002 were implemented for the Rugby Christmas blockade.

We will continue to work with Network Rail and support any investigations being undertaken by the Office of Rail Regulation. Any lessons learned will be reviewed and implemented on the remaining West Coast Route Modernisation works.

*January 2008*

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**Memorandum from Virgins Trains (EOR 03)**

**Virgin Trains/Network Rail/Office of Rail Regulation Interactions over Closure of Lines at Rugby Late December 2007—Early January 2008**

**Summary**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early 2007</td>
<td>Formal notice of 27–30 December 2007 closure of all lines at Rugby</td>
</tr>
<tr>
<td>Thursday 6 December</td>
<td>Network Rail confirms West Coast upgrade work is going to plan. Later, Virgin Trains receives an informal verbal request from Network Rail for closure of all lines at Rugby on either 24 or 31 December. Virgin Trains objects.</td>
</tr>
<tr>
<td>Friday 7 December</td>
<td>Network Rail gives Virgin Trains informal verbal advice that it has developed a means of working which does not require a closure on 31 December.</td>
</tr>
<tr>
<td>Monday 10 December</td>
<td>Network Rail gives Virgin trains informal verbal advice that a closure of all lines at Rugby on 31 December is required.</td>
</tr>
<tr>
<td>Friday 14 December</td>
<td>Network Rail issues formal notice to Virgin Trains and other operators that it intends to close all lines at Rugby on 31 December.</td>
</tr>
<tr>
<td>Monday 17 December</td>
<td>Virgin Trains asks the Office of Rail Regulation to issue a formal order to stop Network Rail closing the lines at Rugby on 31 December.</td>
</tr>
<tr>
<td>Wednesday 19 December</td>
<td>Office of Rail Regulation rules that Network Rail may close all lines at Rugby on 31 December.</td>
</tr>
<tr>
<td>Sunday 30 December</td>
<td>Network Rail confirms that it expects work to be completed for normal operation on 1 January.</td>
</tr>
<tr>
<td>Tuesday 1 January</td>
<td>Approx 16.00. Network Rail tells Virgin Trains that all lines at Rugby will remain closed on 2 January.</td>
</tr>
</tbody>
</table>
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Wednesday 2 January  Approx 15.00. Network Rail tells Virgin Trains that all lines at Rugby will remain closed on 3 January.

Thursday 3 January  Approx 11.00. Network Rail confirms it is “confident” that Virgin Trains will be able to run a normal service on 4 January.
Approx 23.30. On receipt of further information Virgin Trains is itself confident Network Rail will be able to open tracks at Rugby for normal service on 4 January.
Network Rail confirms that not all of the work originally planned for the 27–30 December closure was completed during the extended 27 December–3 January closure.

Friday 4 January  Virgin Trains runs a near-normal service.
Virgin Trains writes to the Office of Rail Regulation asking for a formal order to require Network Rail to implement a robust recovery plan to demonstrate that the upgrade can be delivered on time and properly maintained.

Detail

Early 2007  Formal notice of 27–30 December 2007 closure of all lines at Rugby

Thursday 6 December  At regular scheduled meeting of the West Coast Project Board (Network Rail, Office of Rail Regulation, Virgin Trains, chaired by Department for transport), Network Rail confirms work is going to plan.
Later that day Virgin Trains receives an informal verbal request from Network Rail for closure of all lines at Rugby on either 24 or 31 December.

Friday 7 December  Virgin Trains rejects the request.
Network Rail gives Virgin Trains informal verbal advice that it has developed a means of working which does not require a closure on 31 December.

Monday 10 December  Network Rail gives Virgin trains informal verbal advice that a closure of all lines at Rugby on 31 December is required.

Tuesday 11 December  31 December closure discussed in a regular scheduled meeting between Network Rail and Virgin Trains. Virgin Trains sets a deadline of 09.00 on 12 December for Network Rail to agree to proposals for managing the closure.

Wednesday 12 December  Network Rail informs Virgin Trains that it will not accept Virgin Trains' proposals for managing the closure.

Thursday 13 December  Further discussions take place between Virgin Trains and Network Rail.

Friday 14 December  Network Rail issues formal notice to Virgin Trains and other operators that it intends to close all lines at Rugby on 31 December.
Virgin Trains informs Network Rail of its intention to refer the matter to the Rail Regulator and informally notifies the Office of the Rail Regulator.

Monday 17 December  At a regular scheduled meeting Tony Collins, Chief Executive Virgin Trains, discusses the closure with Iain Coucher, Chief Executive, Network Rail.
Chris Gibb, Managing Director Virgin Trains meets Bill Emery, Chief Executive Officer, Office of Rail Regulation and requests a formal order to stop Network Rail closing the lines at Rugby on 31 December, on the basis that Network Rail is in breach of its licence.

Tuesday 18 December  Office of Rail Regulation asked for further information from Virgin Trains, which was supplied.
Office of Rail Regulation writes to Network Rail following Virgin Trains formal request for an order.

Wednesday 19 December  Network Rail responds in writing to the Office of Rail Regulation.
Virgin Trains sends comments to Office of Rail Regulation on Network Rail’s response.
Office of Rail Regulation rules that Network Rail may close all lines at Rugby on 31 December.
Virgin Trains suspends reservations, begins developing emergency timetable and arranging replacement coach services.
Virgin Trains announces disruption to services on 31 December by alerting the press, putting notice on website, briefing staff.

Thursday 20 December  Virgin Trains planning activity continues, including dialogue with other operators to arrange their carrying of Virgin Trains passengers, contacting those customers for whom Virgin Trains has contact details, procuring and planning coaches.

Friday 21 December  Timetable for 31 January cleared by all parties and uploaded to websites.
Virgin Trains services notice on Network Rail for breach of contract.

Monday 23 December  Virgin Trains planning work continues.
Friday 28 and Saturday 29 December
Virgin Trains runs national and regional newspaper advertisements advising of disruption on 31 December.

Sunday 30 December
Virgin Trains seeks confirmation that work will finish in time for normal operating from 1 January.
Network Rail confirms that it expects work to be completed for normal operation on 1 January.

Monday 31 December
Approx 08.00. Network Rail tells Virgin Trains that all lines at Rugby will remain closed on 1 January.
Virgin Trains suspends reservations and announces disruption to services on 1 January by alerting the press, putting notice on website and briefing staff. Begins talking to other train operators, arranging staff movements and arranging replacement coach services.

Tuesday 1 January
Approx 16.00. Network Rail tells Virgin Trains that all lines at Rugby will remain closed on 2 January.
Virgin Trains suspends reservations and announces disruption to services on 1 January by alerting the press, putting notice on website and briefing staff. Begins talking to other train operators, arranging staff movements and arranging replacement coach services.

Wednesday 2 January
Approx 15.00. Network Rail tells Virgin Trains that all lines at Rugby will remain closed on 3 January.
Virgin Trains suspends reservations and announces disruption to services on 1 January by alerting the press, putting notice on website and briefing staff. Begins talking to other train operators, arranging staff movements and arranging replacement coach services.

Thursday 3 January
Approx 11.00. Network Rail confirms it is “confident” that Virgin Trains will be able to run a normal service on 4 January.
Virgin Trains plans for normal service on 4 January, while making contingency plans for further over-run.

Approx 23.30. On receipt of further information Virgin Trains is itself confident Network Rail will be able to open tracks at Rugby for normal service on 4 January.

Network Rail confirms that not all of the work originally planned for the 27–30 December closure was completed during the extended 27 December–3 January closure.

Friday 4 January
Virgin Trains runs a near-normal service.
Virgin Trains writes to the Office of Rail Regulation asking for a formal order to require Network Rail to implement a robust recovery plan to demonstrate that the upgrade can be delivered on time and properly maintained.

January 2008

Memorandum from Tom Winsor (EOR 04)

INTRODUCTION

1. The Committee has heard evidence in relation to the accountability of Network Rail and the Office of Rail Regulation, principally in relation to the engineering overruns on the West Coast and at Liverpool Street in December 2007 and January 2008.

2. This memorandum is a brief digest of the existing accountability of:

   (a) Network Rail to its dependent customers and the public interest, as the monopoly provider of essential infrastructure services—Part 1 (paragraphs 3–33) below; and

   (b) the Office of Rail Regulation to its stakeholders and the public interest, as the economic and safety regulator of the railway industry—Part 2 (paragraphs 34–44) below.

PART 1

Accountability—Network Rail

3. Network Rail’s accountability to its train operator customers and to the public interest—through the Office of Rail Regulation—is strong, but not as strong as it was or as it could be.
4. That accountability comes principally through:
   (a) the financial framework established by the Rail Regulator in December 2003, for the period April 2004—March 2009 (called a “control period”)—see paragraphs 6–11 below;
   (b) the contracts between Network Rail and its train operator customers, including the industry-wide network code, and the associated legislative regime governing access to the network—see paragraphs 12–19 below; and
   (c) its network licence, enforceable by the ORR—see paragraphs 20–26 and 37–44 below.
5. Network Rail is also accountable to its members—see paragraphs 27–33 below.

Financial framework

6. The financial framework incentivises Network Rail to meet the demands of Network Rail’s customers in an efficient and economical way.

7. Network Rail’s revenue requirements are the amounts of money which the company needs for the competent and efficient operation, maintenance and renewal (and enhancement) of its network. Those revenue requirements are established by ORR for five years at a time (there are some exceptions) in a process called an “access charges review” (sometimes referred to also as a “periodic review”). At the end of an access charges review, Network Rail’s access charges (payable by train operators for the use of track and stations) and network grants (payable by DfT) are established.

8. In establishing those revenue requirements, ORR makes a detailed assessment of:
   (a) the condition and capability of the network;
   (b) the intensity with which the network is expected to be used in the five-year control period—this is a function of the access contracts for passenger and freight use, which are in turn largely a function of government support for the railway;
   (c) the performance which the infrastructure must achieve;
   (d) safety considerations;
   (e) the enhancements to the network which are expected to take place (such as the West Coast route modernisation);
   (f) the sufficiency of the company’s activity plans;
   (g) income from other sources (mainly the exploitation of the company’s property portfolio); and
   (h) the efficiency which a competent network operator can reasonably be expected to achieve.

9. If the company exceeds its targets (which cover a mixture of things, such as performance, asset condition measures, and efficiency), it will make more money. If it falls short, it will lose money.

10. The current control period began on 1 April 2004 and lasts until 31 March 2009. Network Rail’s financial settlement from the Rail Regulator in that review was £22.2 billion.1

11. Setting the financial framework is now—since the passage of the Railways Act 2005—more materially and formally influenced by the Secretary of State for Transport (and Scottish Ministers),2 who, instead of the Rail Regulator, set the overall outputs which the network is required to attain.3 They are also now required to set the overall budget for the railways for each control period.4

Commercial customers—the train operators

12. As a large company carrying out complex, safety-critical operations, Network Rail of course has many commercial contracts. However, probably Network Rail’s most important interface is the one which it has with the train operators (passenger and freight) who use its network. The intensity of the interdependence of the provider and the users of the infrastructure is considerable, and therefore that interface needs to be properly designed and work well, in the public interest and their respective commercial interests.

13. The track-train interface is governed by the commercial contracts between Network Rail and each train operator. These are called access contracts. Each one incorporates the network code, which is a single, industry-wide document covering things such as timetable change, the maintenance, renewal and enhancement (including alterations) of the network, changes to rolling stock used on the network, environmental protection, local accountability, the provision of information, the handling of operational disruption, and appeals.

14. The access contracts were completely rewritten by the Rail Regulator in 2002–04,5 and now contain clear specifications of:
   (a) what each party to the joint venture has to do, to make it work and run train services which meet the needs of passengers and freight customers at a fair and affordable price; and
   (b) what happens when things go wrong.
15. The contracts contain early-warning mechanisms (including special information rights) which enable pre-emptive and urgent action to be taken if it appears things may be about to go wrong, including the ability to obtain an order analogous to a mandatory injunction. The remedies under the contracts are therefore not solely financial.

16. Regulatory policy at the time of the establishment of the contracts was that, in order to ensure that Network Rail has an incentive to perform its side of the bargain, there should be remedies which are prompt, adequate and effective. Since 2004, regulatory policy has in some respects diminished that aspect of accountability.

17. For example, the network code contains specific provisions about local accountability, under which a train operator has a specific and enforceable set of things which Network Rail must deliver in his area, and sound remedies if it appears there may be a failure. Since 2004, that measure of local accountability has been removed from franchised passenger train operators, and is now available only to freight train operator and open access passenger operators. ORR has yet to explain fully why this change has been made.

18. In August 2006, ORR attempted to remove the remedies available to train operators in cases where Network Rail had provided them with incomplete, inaccurate or misleading information. That attempt was both wrong in policy terms, and illegal. Upon pressure from industry stakeholders, the attempt was reversed and train operators’ remedies are intact.

19. Regrettably, ORR’s policy on disempowerment—whereby remedies are blunted or removed altogether—continues elsewhere. It is the wrong policy.

\*Public interest—accountability to Office of Rail Regulation\*

20. As the monopoly provider of an essential service, Network Rail is regulated in the public interest by an independent, combined economic and safety regulatory authority, now the Office of Rail Regulation.

21. That public interest accountability comes through:

(a) the company’s network licence, enforceable by the ORR (see further, paragraphs 22–26 and 37–44 below);

(b) the access regime in the Railways Act 1993 and the Railways Infrastructure (Access and Management) Regulations 2005, which enables ORR to compel Network Rail to grant access to its network (and to enhance it) on terms determined by ORR;

(c) the powers of ORR to establish the financial framework in which Network Rail operates;

(d) safety legislation—principally the Health and Safety at Work etc Act 1974; and

(e) competition law—principally the Competition Act 1998.

22. In relation to the present controversy about engineering overruns, the most relevant instrument of accountability is the company’s network licence.

23. At the time of privatisation (June 1996), Railtrack’s network licence was very weak, lacking many of the regulatory accountabilities which are essential for a monopoly network operator. The Secretary of State for Transport at the time refused to amend the licence before Railtrack was privatised. However, the Railways Act 1993 enables the regulator to amend the licence, if necessary against the will of the licence holder.\(^6\)

24. In September 1997, the first Rail Regulator retrofitted Condition 7 to Railtrack’s network licence.\(^7\) This was a significant strengthening of the licence. It requires Network Rail to operate, maintain, renew, replace, improve, enhance and develop its network in accordance with best practice, efficiently and economically and in a timely manner, so as to satisfy the reasonable requirements of train operators and funders. It is a powerful condition. It was first enforced in August 1999.

25. In 1999–2004, the Rail Regulator strengthened the network licence nine times, with new conditions concerning matter such as:

(a) asset register—a requirement for Network Rail to establish and maintain a reliable and comprehensive register of the condition, capacity and capability of its assets;\(^8\)

(b) network quality—the appointment of independent regulatory reporters, answerable to ORR, who investigate and analyse the sufficiency of Network Rail’s work on the network (steady state maintenance, renewal and enhancement), and can sound early warnings if things appear to be in danger of going wrong, to enable timely preventative action to be taken;\(^9\)

(c) annual return on performance and condition of the network—a report on the performance and condition of the network over the previous year, to be verified by the regulatory reporters;\(^10\)

(d) land disposal—to prevent Network Rail disposing of assets if to do so would be contrary to the public interest;\(^11\) and

(e) dealings with dependent customers—to ensure that Network Rail deals fairly, consistently and to an appropriate standard with persons who need to do business with it.\(^12\)
26. When Network Rail acquired Railtrack in 2002, further licence amendments were made, to enhance its accountability still further in the light of its new corporate status and the loss of the discipline of shareholders' equity.

**Accountability to members**

27. Network Rail has members, not shareholders. Those members are required to act always in the interests of Network Rail, a duty not generally imposed on a shareholder. The company has three classes of member:

(a) industry members, for example passenger and freight train operators;
(b) public members, for example commercial freight shippers and members of the general public; and
(c) a special member—the Department for Transport acting through an appointed representative.

28. Among other special rights, the special member has the right to remove all other members if there has been a fundamental financial failure (as defined in contractual arrangements established between Network Rail and the DfT). The rights of the special member cannot be changed or removed against the DfT’s will. Other parts of the company’s constitution can only be amended with DfT consent.

29. 66 of all members must be from the private sector. Members have no financial interest in Network Rail.

30. The powers of members correspond closely to those of shareholders. In particular, they have no role in the day-to-day management of the company, but they hold the directors to account for their conduct of Network Rail’s business.

31. Network Rail’s directors are appointed by the board on the basis of recommendations of the company’s nominations committee. The board fulfils the functions of the board of a private sector company.

32. The Secretary of State has the right to appoint a special director to the board of Network Rail, but so far has not done so. If the Secretary of State does appoint a special director, that director cannot be removed by the other members of the company, even though they vote for his removal unanimously. The special director cannot be an executive director.

33. With the exception of the special director, a director of Network Rail may be removed by an ordinary resolution of the members. Notions that the membership of Network Rail could and should dismiss the entire board of the company in any circumstance depend on the members having suitable alternative directors whom they are able to appoint and who are willing to serve.

**PART 2**

**Accountability—Office of Rail Regulation**

34. The Office of Rail Regulation was established on 5 July 2004, under the Railways and Transport Safety Act 2003. It comprises a board of 11 members, including a non-executive chairman and a chief executive.

35. It is a non-Ministerial Government department. In law, it is independent of the Secretary of State.

36. Independence is not inimical to accountability. The Office of Rail Regulation is accountable in the following ways:

(a) its statutory duties and its statutory and other obligations to take action (for example, in cases of licence breaches), enforceable by action for breach of statutory duty or through judicial review;
(b) its obligation to make an annual report to the Secretary of State, which is published and laid before Parliament;
(c) Parliamentary questions in writing;
(d) an obligation to give oral and written evidence to Parliamentary committees;
(e) answerability to the Parliamentary Commissioner for Administration in cases of alleged maladministration;
(f) scrutiny by the National Audit Office and, through the NAO, the House of Commons Committee on Public Accounts;
(g) an obligation to have regard to general guidance given to it by the Secretary of State about railway matters or other matters related to railways;
(h) an obligation to have regard to particular considerations specified by the Secretary of State in prioritising its review of the provision of railway services;
(i) an obligation to give information, advice and assistance to the Secretary of State.
(j) obligations to comply with the rules of administrative law and the rules of good public administration, enforceable by judicial review, including:
   (i) the duty to act fairly, to keep an open mind, to hear all sides before making a decision, to take into account all relevant and no irrelevant considerations;
   (ii) the rules as to the lawful exercise of powers, reasonableness and proportionality, consistency of decision-making and compliance with procedural rules;
   (iii) the rules of substantive and procedural legitimate expectation, including in relation to its public commitments concerning the diligence and standards with and to which it will carry out its functions;29
   (k) statutory appeals against enforcement orders;30 and
   (l) appeals to the Competition Commission in relation to proposals to modify operating licences, access charges reviews and certain decisions made by ORR under the Competition Act 1998.

Enforcement of licence conditions

37. In connection with enforcement of licence conditions, ORR has an obligation to monitor compliance with operating licences.31 In addition, section 68 of the Railways Act 1993 requires ORR to investigate any alleged or apprehended licence contravention if a complaint is made to it.

38. ORR’s powers of enforcement of licence conditions are considerable. Sections 55–58 of the Railways Act 1993 require ORR to take enforcement action if it is satisfied that the licence holder either is breaking its licence, or is likely to do so. The enforcement order which ORR may make must be one which is designed to ensure that the licence holder complies with its licence (if the breach has not yet happened), or to bring the licence holder back into compliance (where the breach has taken place).

39. In urgent cases, ORR has powers analogous to the issue of a mandatory injunction given on an emergency basis.32 In deciding whether or not to take urgent action, ORR is required to have regard to the extent to which any person may sustain loss or damage if early action is not taken.33

40. ORR is not required to take enforcement action if it considers that the public interest—as set out in its statutory duties—requires a different course of action,34 or it is more appropriate to proceed under the Competition Act 1998.35

41. ORR also has the power to impose a financial penalty on a licence holder who is in breach.36 The penalty is payable to the Secretary of State. Since Network Rail has no shareholders, it cannot distribute profits. Instead its profits are held for investment in the network. Therefore, in the case of Network Rail, financial penalties in enforcement orders, if paid, reduce the money available for the railway; there are no shareholders to take financial pain. However, the fact that the company has suffered enforcement action can influence Network Rail’s directors compensation committee when deciding on directors’ remuneration.37

Monitoring and enforcement commitments

42. ORR’s commitments in relation to monitoring and enforcement of licence conditions have been added to recently. In April 2006, ORR published its Economic Enforcement Policy and Penalties Statement, which contains the following statements:
   (a) “[e]nforcement is one of ORR’s key functions, and we shall use our powers firmly but fairly and in a timely manner”.38
   (b) “ORR monitors the industry’s compliance with obligations in licences to ensure that the public interest is protected. We aim to ensure that monitoring and enforcement is proportionate to the issue. As a matter of policy, we focus on systemic issues.”39
   (c) “[m]onitoring takes several forms, including analysis of regular reports on industry performance, including those from independent regulatory reporters.”40
   (d) “[o]ur approach is informed by best regulatory practice . . . we shall focus our monitoring and investigation of potential breaches in a timely manner on those aspects of compliance which are most important for passengers, freight customers and funders, where non-compliance would cause most harm and where there has been a sustained failure.”41
   (e) “[t]he purpose of enforcement is to ensure delivery and secure compliance with public interest obligations. The possibility of enforcement provides an assurance to passengers, freight customers and funders that the railway will be accountable for delivery, and acts as an incentive for the industry to deliver in accordance with the public interest.”42
   (f) “ORR oversees compliance of all licence holders with the conditions of their licences.”43
   (g) “[w]e shall ensure that our approach [to monitoring and investigation of potential licence breaches] recognises the urgency of the case.”44
(h) “[m]ethods of monitoring include the use of independent regulatory reporters, analysis of regular reports and industry information, feedback from industry stakeholders, and regular discussions with licence holders and other stakeholders. Where there has been a particular problem in compliance, we may monitor more closely.”

(i) “ORR will give priority to enforcing obligations in licences where there is a detrimental effect on passengers, freight customers, funders and other stakeholders.”

(j) “[i]n monitoring and enforcing compliance with Network Rail’s network licence, we shall examine network Rail’s efficient operation, maintenance, renewal and development of the network.”

43. In a letter to the railway industry on 15 March 2006, ORR’s chief executive said: “ORR’s general approach to enforcement is to monitor rigorously delivery of key outputs and take effective enforcement action where this is in the public interest.”

44. On ORR’s website, it says: “Our approach is one of firm but fair enforcement, taking a staged approach to monitoring compliance and allowing the industry to try to resolve problems itself. We will however, take appropriate enforcement action, including imposing penalties, if necessary.”

REFERENCES


3 Known in the industry as the “High-Level Output Specification” or “HLOS”. The objectives and standards which the Secretary of State (and, in relation to Scotland, Scottish Ministers) may include in their HLOS, are ones with respect to (a) the capacity (in terms of types and numbers of trains) of networks; (b) the frequency of railway passenger services; (c) journey times; (d) reliability of railway services (both in terms of punctuality and otherwise); (e) the taking of measures to prevent or mitigate overcrowding; (f) levels and types of fares; (g) the quality of information provided to passengers; (h) the accessibility of railway services to people with disabilities; (i) the carrying out of major projects to improve railway services; and (j) the protection of persons from dangers arising from the operation of railways. (Paragraph 1D(4), Schedule 4A, Railways Act 1993).

4 Known in the industry as the Statement of Funds Available.


6 A railway operating licence (whether a network, station, train or light maintenance depot licence) can be amended in one of three ways. The first is by agreement between the licence holder and ORR (section 12, Railways Act 1993). The second is either by the ORR or the Competition Commission after an adverse public interest finding by the Competition Commission (sections 13–15C, Railways Act 1993). The third is by the Office of Fair Trading, the Competition Commission or the Secretary of State in certain orders under the Enterprise Act 2002, either in a merger case or where, after a market investigation, the Competition Commission has found market distortions (section 16, Railways Act 1993).

7 This was done with the agreement of Railtrack, under section 12, Railways Act 1993.

8 Condition 24.

9 Condition 23.

10 Conditions 15.6–15.14.

11 Condition 26.

12 Condition 25.


14 Article 3.8.5 of Network Rail’s Articles of Association.

15 Article 16.3 of Network Rail’s Articles of Association.

16 Article 3.2.2 of Network Rail’s Articles of Association and the company’s Membership Policy.

17 Article 17 of Network Rail’s Articles of Association.

18 Article 13.1.2 of Network Rail’s Articles of Association.

19 Article 17.2 of Network Rail’s Articles of Association.

20 Article 17.12.1 of Network Rail’s Articles of Association.

21 Section 15.

22 Its legal independence comes from the absence of the power of the Secretary of State to direct its exercise of its functions (except in very minor, general respects), and the absence of the Secretary of State to remove its members (except in circumstances comparable to the ways in which a High Court judge may be removed).
Ev 350  Transport Committee: Evidence

Section 4, Railways Act 1993.

See paragraphs 37–44 of this memorandum.

Section 74, Railways Act 1993.


Section 69(2), Railways Act 1993.

Section 69(3), Railways Act 1993.

See, for example, paragraphs 37—44 of this memorandum.

Section 57, Railways Act 1993.

This obligation arises from the necessary implication of the enforcement regime in the Railways Act 1993 that ORR must, in certain circumstances, take preventative enforcement action in cases where a licence holder is considered to be likely to breach the conditions of its licence. It also comes from the obligation of ORR—under section 69, Railways Act 1993—to keep under review the provision of railway services and to collect information with respect to the provision of those services, with a view to facilitating the exercise of its statutory functions (which include enforcement). It also arises under the law of legitimate expectation because ORR has publicly stated that it will monitor compliance with licence conditions.

Section 55(2), Railways Act 1993.


Section 55(5A), Railways Act 1993.

Section 55(7A), Railways Act 1993.

Condition 28, Network Rail’s network licence.

Page 3, paragraph 1.

Page 3, paragraph 1.

Page 2, paragraph 9.

Page 3, paragraph 11.

Page 14, paragraph 13.

Page 15, paragraph 14.

Page 15, paragraph 15.

Page 16, paragraph 19.

Page 19, paragraph 31.

ORR website, page entitled “Monitoring and enforcement of the network licence—Securing Network Rail’s accountability”, under “Regulating Network Rail”.

January 2008

Supplementary memorandum from the Office of Rail Regulation (RWP 35a)

Licence Enforcement Action Taken by ORR to Date

Enforcement orders have been made in the following instances:

— provisional order requiring Network Rail to produce and deliver a plan in relation to the WCRM project (under condition 7 of the network licence, 2008);

— weaknesses in the planning and execution of engineering projects requiring possessions (against Network Rail, under condition 7 of the network licence, 2008);

— post Hatfield rail recovery (against Railtrack PLC, under condition 7 of the network licence in 2001);

— West Coast modernisation delivery (against Railtrack PLC, under condition 7 of the network licence in 1999–2000);

— delivery of performance targets (against Railtrack PLC, under condition 7 of the network licence in 1999–2001); and

— answering targets for the National Rail Enquiry Service (NRES) (against all franchised passenger train operators, under condition 7 of passenger train operator licences in 1997–98).
MONETARY PENALTIES

ORR has imposed penalties in the following instances:

— a penalty of £14 million on Network Rail for continuing breach of its network licence in relation to the planning and execution of the engineering work requiring possessions (condition 7 of the network licence, 2008)—(paid on 30 May 2008 by Network Rail);

— a penalty of £2.4 million on Network Rail for the weaknesses in planning of the Portsmouth resignalling scheme (condition 7 of the network licence, 2007)—(paid on 21 September 2007 by Network Rail);

— a penalty of £250,000 on Network Rail in respect of the accuracy of published information on infrastructure capability (condition 7 of the network licence, 2006)—(paid on 12 May 2006 by Network Rail);

— a penalty of £7.9 million on Railtrack PLC in respect of failure to deliver performance targets, (condition 7 of the network licence, 2001)—(paid on 11 January 2002 by Railtrack PLC); and

— penalties totalling £350,000 on all franchised passenger train operators in respect of answering targets for NRES (condition 7 of passenger train operator licences, 1997).

NOTICES IN LIEU OF ENFORCEMENT ACTION

ORR has issued notices under section 55(6) of the Act in lieu of enforcement action in the following instances:

— failure to ensure accurate information on infrastructure capability (against Network Rail, under condition 7 of the network licence, 2006);

— failure to plan renewal, maintenance and enhancement of the network in a timely and efficient manner (T-12) (against Network Rail, under condition 9 of the network licence, 2005);

— failure to plan renewal, maintenance and enhancement of the network in a timely and efficient manner (T-12) (against Network Rail, under condition 9 of the network licence, 2004);

— omission from Network Rail’s 2003 business plan of long term expenditure projections (against Network Rail, under condition 7 of the network licence, 2003);

— failure to provide information to enable Railtrack to comply with condition 9 of the network licence (T-12) (against South West Trains Limited, under condition 14 of its passenger train operator licence, 2002);

— failure to plan renewal, maintenance and enhancement of the network in a timely and efficient manner (against Railtrack Plc, under condition 9 of the network licence, on a number of occasions in 2001–02);

— non-compliance with answering targets for the NRES, pending investigation of the achievability of the targets (against all franchised passenger train operators, condition 7 of passenger train operator licences, 1999–2000);

— failure to plan renewal, maintenance and enhancement of the network in a timely and efficient manner (against Railtrack Plc, under condition 8 of the network licence, on a number of occasions,1999–2000);

— Review of Railtrack’s Network Management Statement (commitments on reasonable requirements, performance, track quality, capacity bottlenecks) (against Railtrack, under condition 7 of network licence, July 1998);

— failure to maintain station ticket office opening hours (against Northern Spirit Limited, under condition 7 of its passenger train operator licence, 1997);

— failure to comply with the Ticketing and Settlement Agreement and Travelcard agreement (against LTS Rail Limited, under condition 7 of its passenger train operator licence, 1997); and

— failure to comply with the Telephone Enquiry Bureau scheme (against West Anglia Great Northern Railway Limited, under condition 7 of its passenger train operator licence, 1996).

BREACHES WHERE NO OTHER ACTION WAS TAKEN

— decision to take an additional possession at Rugby on 31 December 2007 at late notice, despite the objections of affected operators (Network Rail, under condition 9 of the network licence, 2008); and

— disposal of land at East Grinstead without consent (Network Rail, under condition 26 of the network licence (2006).
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<th>Sheet</th>
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<tbody>
<tr>
<td>1</td>
<td>Capacity 2003</td>
<td>Compares capacity of Waterloo or Euston with theoretical assumptions for roads on converted railways—which will “be managed so as to avoid congestion”.</td>
<td>He ignores the only study to consider a rail terminal, which he praises (see sheets 3 and 12). It states that one line has 28,500 passengers in an hour. Replacing shorter peak trains by the longest used would increase that by 50%; improved signalling would double that*. The part to become a bus terminal (trains would still use part of the station) must handle nine times as many buses as Victoria bus station in half the area that bus station occupies. In the peak, one bus would depart every nine seconds, crossing 28,500 departing passengers on the level. No operator would consider it, the HSE would prohibit it. Critics say the bus fleet specified is underestimated and not based on methods used by operators, as there is no timetable and no staff rosters. How they expect operators to roster drivers without timetables is a mystery. Unions would not accept it. Managed roads would be a first! Conversionists always insist that all passengers would transfer to buses, eschewing cars, when the evidence of every closure is the reverse. The reason is that the cars required would bring gridlock. No previous “conversion” has taken place until after its low volume of rural traffic has been transferred to road or other rail routes.</td>
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<td></td>
<td>Elsewhere, he writes that “it is said that Victoria bus station could handle 50,000 passengers per hour”.</td>
<td>By whom “it is said” is not disclosed. Victoria bus station’s management had no knowledge of the claim. Its peak hour departures are 39 buses: under 2,000 passengers per hour. One must not compare what railways are actually handling with what another system may be able to handle! Each terminal would take about a year to build, during which time, buses would have to terminate in congested streets, which would also have to cope with thousands of lorries arriving with materials!</td>
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<td></td>
<td>Elsewhere, he says terminals will be converted to three-storey bus stations to cope with the number of buses.</td>
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<td>Total rail route is (invalidly) compared with motorways and dual carriageways.</td>
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<td>2</td>
<td>Safety</td>
<td>To inflate rail fatalities, he introduces trespassers which he assumes would cease with conversion. He also debits level crossing deaths wholly to railways.</td>
<td>He exposes his ignorance of trespass. It comprises those taking short cuts and a train spotting minority. The latter do not stand near enough to tracks to be killed—they would be unable to read loco Nos or take photos at 125 mph. In 40 years, I never heard of a spotter being killed. Inquests of trespassers that I attended, or fatalities I investigated were all taking short cuts. If converted, such deaths would increase due to more frequent vehicles for “trespassers” to avoid, and consequential extra deaths due to sudden braking and swerving. The Liverpool Street scheme (sheet 12) would endanger thousands passing between buses departing every nine seconds. Rail fatalities include workshop staff whose parallel is not included in road figures. Bus station fatalities are excluded. In his statistics, he includes accidents at level crossings, when the evidence is that they are mostly due to misconduct by road users and should therefore be debited to road transport, not railways. His Internet site shows that his inclusion of level crossing and trespasser accidents increases rail accident rate 10-fold. It totally distorts the picture.</td>
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<td></td>
<td>September 2004</td>
<td>Transfer to converted roads of some motor traffic on existing roads is assumed to cut deaths.</td>
<td>He assumes that transfer from roads would cut road deaths. Noticeably, where ex-rail traffic would transfer to roads (see study, Sheet 3 rebuttal); no increased deaths are counted! Accidents have occurred to pedestrians climbing fences of Bradford’s guided busway. Increased speeds would follow a reduction of traffic on existing roads, causing greater risk to pedestrians and cyclists. His bus/coach figures are from DfT sources that depend on estimates, which must be treated with caution*. He assumes that all trespassers and rail engineering staff are killed by passenger trains, because he relates all to passenger travel. Some were killed by freight, engineering or test trains, whose parallels are excluded from his selective road figures. Others were killed by road vehicles crashing onto the track—for which there is no converse problem. Fact Sheet 2 is absolutely worthless</td>
</tr>
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</table>

He introduces a photo to show apparent waste of railways, but does not say when it was taken. He excludes pedestrians, “who would not get onto converted railways”—another delusion. Rail fences don’t prevent trespass, vandal proof fences have yet to be invented. He ignores pedestrians walking away from broken down buses, it may have been Christmas or due to a bomb warning, strike, engineering work, etc. Photos of waste space on m-ways & dual carriageways are included in a recent book*. Fact Sheet 1 is worthless.
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<tr>
<td>3</td>
<td>Railway Width January 2005</td>
<td>The sheet states that “The source for the railway widths cited above is British Railways”. He praises the only route study—from Liverpool Street (commissioned by the DoE, which rejected it), whose author says he measured bridge widths and heights and the formation width of 134 miles of railway.</td>
<td>When challenged, to identify the precise source, Mr Withrington first replied that the BTC published it in 1961. Asked to name the document, he replied that he was mistaken; the document specified only the length of railway route. No one has ever measured the frequently varying width of railway route for obvious reasons—cost and irrelevance. Fact Sheet 3 is not based on BR data and is worthless.</td>
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<td>4</td>
<td>Subsidies and taxes January 2005</td>
<td>Claims of profits made from road traffic are based on a superficial comparison of taxes and expenditure on roads.</td>
<td>VAT must be ignored, as railways pay it on materials and services purchased. It ignores that new roads and improvements are justified by the monetary value of time forecast to be saved by users and by reductions of accidents. These savings are ongoing. Accident and emergency costs are under-estimated as hospital admissions are higher than those reported by Police1. Subsidies to BR were paid to hold down costs of industry to enable it to compete with foreign industry, and to retain uneconomic lines as bad weather standbys. Lower fares held down the cost of users, including government employees, thereby enabling government to profit from lower wage costs. Fact Sheet 4 is worthless.</td>
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<td>5</td>
<td>Fuel consumption August 2004</td>
<td>This tries to compare National rail fuel consumption in the UK with equivalent road transport, and adds: “The rail data depends primarily on information provided by Network Rail for the year 2002–03”. He bemoans the lack of national rail fuel consumption.</td>
<td>When I asked for the source, he wrote that he obtained it from “a former Network Rail employee, who provided it in respect of InterCity, Network SouthEast and Regional railways”—all of which ceased to exist in 1995. No meaningful 1995 figure would be feasible in 2002. Moreover, like road operators, BR did not publish that data in 1995 or earlier. No reduction is</td>
</tr>
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</table>
The freight “comparison”, assumes that all rail freight incurs a 10 mile road journey at each end of its journey. (This inaccurate assumption has a major bearing on relative costs advanced in the Fact sheets).

He says his passenger figures are consistent with an academic study.

He then goes on to “compare” his useless rail consumption figure with a hypothetical lorry\(^2\) fully loaded by weight on its outward journey.

Until I drew attention to it, he had not realised that some freight fills a lorry or rail wagon by volume, before reaching weight capacity. The DfT told me that road freight tonne-km is based on estimates. These are inflated by multiple collections and deliveries.\(^3\) His hypothetical lorry excludes non productive mileage to depots, test stations, body shops, or to transfer traffic from roadside breakdowns. By definition, rail fuel consumption is all embracive of these activities. Road freight includes road maintenance materials, whereas railfreight doesn’t include track materials.

It compares a car with a load 50% above average, travelling London-Glasgow (at a potential average of 55-60mph, excluding comfort stops) with a 125mph train. Such “comparisons” are invalid. The DfT told me bus/coach data from operators is sparse: none for long distance, contract or excursion coaches and little for local services outside London. Fact sheet 5 is based on inaccuracies and is worthless.

Rail modernisation includes stations, fuel distribution; parallels are not included for M1 “comparisons”. The original M1 forecast was...
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<tr>
<td>7</td>
<td>Track costs</td>
<td>An old cost for Train Protection is £1 billion but rose to £6 billion according to the press is now quoted as £3.8 billion.</td>
<td>Can see why he beefs about Train Protection Systems because roads will never have a comparable system to prevent road vehicles passing red signals, which is endemic.</td>
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<td>2002–03</td>
<td>Cost failures are mirrored by misrepresentations to do with capacity, safety and other issues, see other sheets.</td>
<td>It is his figures which misrepresent the facts on capacity, safety. (see Sheet 2 rebuttal). His capacity and safety figures are worthless and therefore undermine Fact sheet 6.</td>
</tr>
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<td>8</td>
<td>Cost of track maintenance</td>
<td>He compares the contract cost of the WCML upgrade with a paper exercise which estimates the cost of rebuilding the M1. Also mentions Silverstone (sic) and bypass overbridges (sic).</td>
<td>The WCML includes renewing its fuel supply. None is included for renewing the fuel supply system for service stations on the M1, nor of replacing tankers which carry out distribution. See also disparity in bridge strengths (sheet 6 rebuttal). Rail scheme costs include rail traffic diversionary costs—M1 costs do not, nor costs of improvements to diversionary roads. The comparison is invalid.</td>
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| 9     | Vehicle costs     | Railway carriages cost at least £1 million and may have and have 75 seats. Modern stock may last 30 years. The capital recovery factor is 0.054. The annual cost of the capital is £54,400. Annual maintenance may set to 7.5% of capital providing £75,000. Hence the total is £129,400 annually or £1,750 per seat per year. | “Railway carriages cost at least £1 million each and may have and have 75 seats”—what does it mean?  
He doesn’t give the source of the 7.5%.  
Railfuture points out that if an HST was stripped out, and fitted with bus density seating, the number of seats would increase from 450 to 1,300. It would be as comfortable as a bus but not as a train. Rail fares would fall to one third.  
The repeated use of “may” and “assume” undermines the speculative assumptions. A contact in the coach industry states that a basic coach has 49 seats, but only 48 are booked, to leave one for a second driver or courier. He puts the cost at £225k, says a 21 year life is unrealistic—15 is about the limit, and 10% of capital for maintenance is more likely than 7.5%—2% is derisory and potentially dangerous. He seems to have taken 7.5% as the average between 2% & 12.5%. An average cannot be calculated that way. |
|       | May 2005          | A basic express coach with 50 seats may cost £150k, and may last 21 years; seven of which may be in “first use”, seven “second use”, seven “third use” eg as school bus. Against that we assume a life of 15 years. We assume annual maintenance at 7.5% of capital although we have the range 2-12.5% from the industry. On that basis, and with interest at 3.5%, the annual cost per seat is £485—3.6 times less than for the railway carriage. |  

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<td>10</td>
<td>Safety costs</td>
<td>Based on casualties in fact sheet 2, and assumptions prefaced by “if”.</td>
<td>The consequences of cheapness are evident when a coach turns over or falls on its side. Compare one death in a well loaded train travelling at 110mph with multiple deaths and amputations in a coach on the M25 near Heathrow in 2007. Fact Sheet 9 is really valueless. Since Sheet 2 is based on erroneous premises, it follows that this sheet 10 is valueless.</td>
</tr>
<tr>
<td>11</td>
<td>Journey length, etc</td>
<td>The DETR National Travel Survey 1997–99 provides journey length distributions. We found 50% of all surface rail journeys are less than 19 miles, 85% less than 52 miles, and 90% less than 80 miles. In contrast dividing passenger-km by passenger journeys from tables 5.11 and 9.2 of TSGB yields an average journey length of 41 km or 25 miles for national rail.</td>
<td>The significance and purpose of these figures is unclear. Where are the May 2002 journey length distributions. We found 50% of all surface road journey distances to compare? The average car journey is eight miles. 50% of all bus journeys are estimated by the DfT to be on local buses—the average journey is three miles.</td>
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<td></td>
<td>Speed</td>
<td>Future bus times and bus fares assume uncongested roads providing 65 mph average through to Euston. Estimated express coach times are based on 60 or 65 mph average. (Railtrack used 65 mph at the Inquiry into West Coast Modernisation. Although speed for a HST is much faster than express coach, differences will be of little interest to most. The coach would offer a service frequency up to 10 times that of rail.</td>
<td>This “uncongested” route would face delays and accidents at thousands of flat junctions, right turns, and thousands of cross-roads and farm crossings from vehicles approaching randomly and interacting with his unscheduled buses. There is a huge difference between 65 mph average on a train making multiple stops and a coach whose drivers have to load and unload luggage, and make comfort stops. 65 mph average is unattainable on such a road, when PSVs are limited to 60 mph maximum on motorways for safety reasons. Higher speeds increase maintenance costs. Market research showed that speed and comfort were important. Greater frequency will not compensate for lower speeds. Coach operators require advance booking. That is unlikely to change. It is crucial to fare levels. If passengers did not pre-book—as Conversionists claim—it is inevitable that many would have to wait for the next—or much later—bus.</td>
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<td>Fares</td>
<td>Omitted from the data is a plethora of special offers for rail but no doubt the bus industry would offer the same as the market developed.</td>
<td>If choice was only fare-based, there would be no Birmingham to London rail passengers! All would be on the motorway. Buses could offer a “plethora of fares” now. Future bus fares and journey times are a guess—exactly half of those listed as current. There is no science, no timetable, no market research. Fares will not halve unless operating costs fall by a greater amount, for which no evidence is advanced. No company would invest on this basis. The reality is that with no rail competition, bus drivers’ hours would fall; wages would rise, leading to higher fares to cover higher costs &amp; to maintain profits. Statements based on guesses are</td>
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Transport Committee: Evidence

Sheet subject/date Transwatch claims Rebuttal

Seat Express bus would be attractive except to those on immense salaries. Even they would probably prefer bus to the rail for all but the longest journeys. Certainly Commuters could all have seats.

Conversion costs and rate of return May 2002

“Transport Watch does not advocate converting rail to road, preferring to concentrate on facts leading to policy this facts sheet nevertheless deals with costs of conversion and touches briefly on conversion strategy.”

It claims the rate of return from conversion would be overwhelming and the cost of converting the entire rail network would be less than £12 billion—one-sixth the present cost of the rail modernisation programme.

A contract by the Dept of the Environment culminated in the Hall/Smith report Better Use of Railways. It attracted vitriolic but baseless criticism.

Rail fares are up to five times as expensive as existing express coach fares, perhaps 10 times as expensive as would arise if coaches could use un congested rights of way as do trains.

Rail fares would have to at least double to eliminate subsidy from the taxpayer whilst buses are profitable despite paying substantial taxes.

not “facts”—they are unsubstantiated opinions.

His hero’s claims about lower bus fares in the Liverpool Street scheme are mathematically demolished in a recent book.* Converted railways would be congested if passengers transferred to cars in droves—not buses—as experience shows. The reality—which Conversionists obstinately refuse to accept—but which has been proved with every closure—is that passengers transfer to car not bus. An RAC Study revealed that for motorists, their second choice is rail, bus is third. The converse is obviously true.

No study has been publicly published to prove that bus taxes cover their road costs. Studies of lorries showed that they did not, and the RHA admitted it reluctantly.* The only route study of rail convertion (which Transwatch praised) has been analysed.* The Study’s costs of bus operation & their effect on fares are exposed as seriously inaccurate.* That bus service would require more subsidy than rail.*

His “hero” Edward Smith wrote (Journal of Transport Economics and Policy, September 1973): “there was no assumption peak bus passengers would be all seated.” That would go down like a lead balloon. New York Transit Authority states passengers stand in peak buses on the much quoted NY bus lane. He assumes all passengers would transfer to bus, when 60 years experience of closures show that they mainly transfer to cars. See also RAC Study above. The claim that those “on immense salaries would prefer bus” is absurd. Clearly they would—in the absence of trains—go by chauffeur-driven limousine. Fact Sheet 11 is worthless.

Fuches based on assumptions are not facts.

The only study (the Liverpool Street scheme) claiming to set out costs of conversion & benefits depends primarily on time benefits claimed to accrue to motorists transferring from existing roads to converted railways, and assumptions about travel time gains by all rail passengers transferring to buses (see rebuttal of the returns—below). Both are disproved in a recent book.*

The DoE rejected the report. I could find no vitriolic criticism in the well-indexed Times, nor in extracts of criticisms included in the so-called “companion volume”. That document was supposed to be a “measured
Critics never responded to the companion volume, *Comments and Rejoinders*, in which they appear in a very poor light.

The main report examined the potential for converting 6 railway lines to motor roads in and around London. The conclusion was that conversion would yield first year rates of return in the range 100 to 500% (except in one case where the return was infinite because the value of scrap and spare land exceeded the cost of the conversion). Those very high rates of return are hardly surprising in view of my (Withrington) analysis which shows rail three to four times as expensive as, and with one quarter the capacity of, a road.

The “return” relied mainly on £19.3 million for time saved by 39 million cars switching from existing roads. No proof was given that even one car would divert nor save time. The car diversion figures were prefaced by “assumed”, “may”, “probably”, “if”. One academic study stated that some claimed diversions would be over a longer route. The study author told the *Sunday Times* article that “parking restraints would stop new car traffic on the corridor” to prevent congestion—a previously unmentioned condition. It would eliminate the return for diverted traffic.

£1.7 million “return” for passenger time saved by using buses is disproved.* No increase was entered for the converse: longer journeys of rail traffic routed to existing roads after conversion. See Sheet 3 rebuttal.

£5.7 million is included for land assumed to attract businesses unable to find any, when tens of thousands of acres of brownfield sites are idle due to industries all closed because “wage levels were too high”—not for lack of roads. It assumes that tenants would move and without realistic
compensation.
The “return” includes sales of station and level crossing houses, some may be privately owned already, in consequence of job economies and modernisation. Valuations were made, without evidence of internal inspection. Valuers may well have met abuse had they tried to do so. The scheme includes £50,000 to convert part of Liverpool Street to a bus terminal. The New Scientist (5.2.76) wrote this would hardly pay for the drawings! This was missed in Rejoiners, although quoted in Municipal Engineering (12.3.76), an extract of which is in Rejoiners. The journal stated that the New Jersey bus lane leads to a multi-storey multi-million dollar terminal, compared to a single level terminal proposed by Smith. The New Jersey lane speed limit is 35 mph [56kph], not 72kph [45mph] quoted by Smith. Having praised the study Report, Withington now refers to 65 mph buses. To answer road transport experts, Smith states that this lane carries 25,000 seated passengers in a peak hour, which ‘no rail track can match’. His Study shows that one Liverpool Street track exceeds it, as do LT lines! The American bus service involves peak standing, and experiences collisions which block the route for hours. It is criticised on the Internet by users who say that punctuality is poor.* Road engineers at the 1955 Institute of Civil Engineering debate quoted costs up to 10 times those in the study. Elsewhere, Withington claims that this debate was followed by 3 years correspondence in The Engineer on widths & the concept. It wasn’t. Correspondence began 3 years later when conversion was publicly ignored by a conference of road engineers seeking solutions to road congestion!

Actual Conversions: Edinburgh £10.95, Southport: £3.73, Radnor CC 1970: £2.49, Radnor CC 1969: £2.94, Radnor CC 1968: £3.35 (M-way standards would add about £3 per sq metre to these costs.

Study Estimates: had the range £8.21 to £19.40 per sq metre, implying straight away that the study estimates were, if anything, too high.
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<td>13</td>
<td>Road taxes v rail subsidy September 2004</td>
<td>The basis of this is to spread the taxes over the total length of all roads—including those “not-to-be-mentioned” ghost roads, then adjusting it for estimated 37% of vehicle</td>
<td>It proves that 63% is on “ghost roads”, which undermines comparisons he advances (see sheet 1). They are not merely “access roads”. Clearly, a large volume of traffic travels solely on 200,000 miles of other roads which</td>
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The conversion strategy would be to stockpile materials and plant at five to 10 mile intervals for a particular route. Then on Death of Rail Day the tracks would off and replaced by a road surface sufficient for buses in a matter of weeks, at least to the edges of town and city. During that period special traffic orders would be in place to enable buses, previously procured etc. to operate reasonably in urban areas.

The Study claimed 150 mm asphalt laid on raw formation would suffice for buses and lorries. The width used would be greater than the weight-carrying ballasted area, embracing lineside walking routes (cess) & undulating open-ditched banksides which carry no weight. Conversionists “would lay another layer of asphalt later”. Contractors and local authorities disputed the low costs claimed for conversion.

A Railway Conversion Campaign photo of the conversion in Edinburgh has an underwhelming nine cars, carrying perhaps 14 people, in a space that would take four trains carrying thousands or 50 cars carrying 75, illustrating the wastefulness of road utilisation. There are no buses in the photo!

All public and farm roads on level crossings would be closed until new roads were laid. All freight—including 1500t port to power station trains would transfer at once to existing roads, along with that from quarries, docks, factories etc. City terminals would close for a year. Existing roads would be chaotic. Stockpiles would need new good road access for lorries, cranes and plant over private property (gardens, factories etc) at 1500 sites. They would be used by vehicles carrying workmen daily along residential roads. The simultaneous demand for experienced contractors & labour would be on a massive scale and its availability has been ignored. Buses (plus lorries) ‘previously procured’ would have been gathering debt. He ignores the problem of recruiting & training tens of thousands of drivers and maintenance staff. Conversionists foolishly assume train drivers would be dragooned into this role with increased hours & lower wages! In any case, they could not train until railway operations ceased!

The Liverpool Street/East Anglia Study praised in Fact sheets envisaged converting half the width of a 26 mile main line in nine days, including removing track, signalling, buildings and electric power equipment; and structural alterations to 19 bridges (to achieve a height clearance below DfT standards), whilst trains continued to run on half of the formation; then connecting slip roads (in one direction only!) and surfacing. The second half of the formation would be converted over three to four months! The conversion strategy was completely impractical.* Fact Sheet 12 is worthless.
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<td></td>
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<td>mileage on m-ways and trunk roads.</td>
<td>cannot be ignored. Having two Sheets (see Sheet 4) on the same subject does not enhance reliability.</td>
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<td>He claims £6 billion was spent on roads and £40 billion collected in taxes, leaving £34 billion in profit for the Exchequer.</td>
<td>This is from the kindergarten school of fiscal studies. 25% of taxes were VAT which is irrelevant, as VAT affects railway purchases. He ignores the annual cost of road casualties, the value of time saved every year in perpetuity by road users, and claimed reductions in accidents used to justify past road improvements. These are precisely the same benefits that he claims as a return on the cost of converting railways. £19 million was claimed as a time benefit in the Study he praises. He ignores the cost to the UK balance of payments deficit of costly oil imports. He ignores that lorry and bus operators are subsidised by motorists and the increased cost of NHS and emergency services. Fact Sheet 13 is worthless.</td>
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* See Railway conversion—the impractical dream.

1. *Juggernauts* by John Wardroper.
2. He tried to claim that his one lorry (“compared” to the average of all freight trains), which had no owner, no registration, no consignment, and no journey—was not hypothetical!
3. These are counted as travelling the maximum distance covered by the lorry. When informed of this, he claimed that it would only account for a small percentage. As there is no data; no one could possibly know that.
4. Among lines closed were some of 100–180 mile length, without Conversionists appearing at closure hearings to support closure. When the Inverness-Wick line—long advocated by conversionists as a prime conversion target—was proposed for closure, it was opposed by its leading conversionist advocate, Sir David Robertson MP*.

* June 2008

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