



House of Commons
Transport Committee

Railways in the North of England

Fourth Report of Session 2002–03

Volume I



House of Commons
Transport Committee

Railways in the North of England

Fourth Report of Session 2002-03

Volume I

Report, together with formal minutes

*Ordered by The House of Commons
to be printed 11 June 2003*

The Transport Committee

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

Current membership

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

The following members were also a member of the committee during the parliament.

Mr Chris Grayling MP (*Conservative, Epsom and Ewell*)
Helen Jackson MP (*Labour, Sheffield, Hillsborough*)
Mr Robert Syms MP (*Conservative, Poole*)

Powers

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

Publications

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

Committee staff

The current staff of the Committee are Eve Samson (Clerk), Dr John Patterson (Second Clerk), Dr Greg Marsden (Committee Specialist), Miss Frances Allingham (Committee Assistant) and Lis McCracken (Secretary).

Contacts

All correspondence should be addressed to the Clerk of the Transport Committee, House of Commons, 7 Millbank, London SW1P 3JA. The telephone number for general enquiries is 020 7219 6263; the Committee's email address is transcom@parliament.uk

Contents

Report	<i>Page</i>
Summary	3
1 Introduction	5
Context	6
2 Economic Impact	7
Targets and Policy Making	8
<i>Target setting and Investment Appraisal</i>	9
<i>Appraisal Criteria</i>	10
<i>Smaller Schemes</i>	11
3 Specific Projects	12
West Coast Main Line	12
Other Capacity Improvements	13
4 Franchise Payments	17
5 Relationship with Stakeholders	18
6 Franchise Issues	19
Operation Princess	22
7 Conclusion	24
Conclusions and recommendations	26
Formal Minutes	29
Witnesses	30
List of written evidence	31
Reports from the Transport Committee since 2002	33

Summary

Railways in the North of England serve a variety of needs. Our study has demonstrated a number of shortcomings, which we do not believe are unique to the North. The most significant are:

- Confusion and inconsistency about the funding of transport links needed to assist economic regeneration;
- Poor consultation between the Strategic Rail Authority (SRA), and local authorities, Passenger Transport Executives, regional authorities and passenger bodies, leading to a perception the SRA does not understand and respond to local needs;
- Appalling service to rail users.

There are some signs that improvement may be about to begin, although there is a long way to go:

- The SRA has clearly stated the basis on which it will support rail projects;
- The SRA has committed itself to better local consultation;
- Steps have been taken to remedy the serious driver shortages which led to widespread disruption to services in the North.

However, we still cannot say with confidence that these failures are things of the past.

It seems clear that road and rail projects are funded on different grounds and there is no level playing field between them. This inquiry reinforces the view we gained in the inquiry into multi-modal studies: that the SRA focussed too much on the existing network and took little account of suggestions for improvements.

We shall continue to monitor the work of the SRA, the Office of the Rail Regulator and Network Rail extremely closely. The rail industry has a responsibility to ensure a safe, efficient and good value rail network; it must never forget that the purpose of the network is to serve its customers, and benefit the country as a whole.

1 Introduction

1. The former Transport Sub-committee of the Transport, Local Government and the Regions Committee began its inquiry into Railways in the North of England in June 2002. The inquiry was unfortunately interrupted by the reorganisation of Select Committees to reflect changes in the machinery of Government in July 2002. The Transport, Local Government and the Regions Committee and its Sub-committees were replaced with two separate Committees shadowing the Office of the Deputy Prime Minister and the Department for Transport. The Transport Committee was unable to begin taking evidence until October last year. Our completion of this inquiry has been delayed by major reports on Urban Congestion Schemes¹ and Multi-Modal Studies² and evidence gathering on further topics, but our predecessors' work uncovered issues which we consider too important to be left unfinished. There have also been recent developments which we felt should be taken into account.³

2. In the course of the inquiry the Transport Sub-committee took oral evidence from Arriva Trains Northern, Virgin Rail Group, and GNER; the Passenger Transport Executive Group, and Railtrack; and Transport Salaried Staffs Association (TSSA), National Union of Maritime Transport Workers (RMT) and Association of Locomotive Engine Firemen (ASLEF); the Strategic Rail Authority (SRA), the North Eastern and North Western England Rail Passenger Committees; and the Department for Transport. The Sub-committee also visited York and Leeds where they held discussions with train operating companies and with Railtrack. Since October, the Transport Committee has taken evidence from the Chairman of the SRA twice on wider matters than Railways in the North of England, and has also taken evidence on Overcrowding in Public Transport, some of which was useful in drawing up this report. We are very grateful to all those who gave evidence in this inquiry.

3. In this work we have taken 'Railways in the North of England' to be principally those rail services which fall within the North West, the North East, and Yorkshire and the Humber regions. The routes concerned are primarily described by the SRA as North West Routes and North East, Yorkshire and the Humber Routes. The North of England is also served by important intercity routes on the East and West Coast Main Lines and by Cross Country Routes. This report is concerned with all rail services servicing the North of England, and is not confined to regional services.

¹ Transport Committee, First Report of Session 2002—03, Urban Charging Schemes, HC 390-I.

² Transport Committee, Third Report of Session 2002—03, Jam Tomorrow?: The Multi Modal Study Investment Plans, HC 38-I.

³ The Members of the former Transport Sub-committee of the Transport, Local Government and the Regions Committee were as follows: Mrs Gwyneth Dunwoody MP (Chairman), Andrew Bennett MP, Mr Gregory Campbell MP, Mr Brian H. Donohoe MP, Mrs Louise Ellman MP, Chris Grayling MP, Helen Jackson MP, Miss Anne McIntosh MP, Mr Bill O'Brien MP, Dr John Pugh MP, Mr George Stevenson MP.

Context

4. The 10 Year Plan set out policies and targets for “safeguarding the environment and ... developing an integrated transport policy to tackle the problems of congestion and pollution”.⁴ It said:

“Our aims are to increase the use of the railway by passengers and freight, to provide new capacity to meet demand, and to improve the quality of service to customers, while reducing most currently regulated fares in real terms. A large expansion of rail services will make an important contribution to reducing future levels of congestion on the roads”.⁵

5. The 10 Year Plan and its revision set out targets for transport, which were revisited as part of the process leading to the 2002 spending review. The target most directly related to this inquiry is:

- “Secure improvement in rail punctuality and reliability with a 50% increase in rail use in Great Britain from 2000 levels by 2010”.⁶

Two other targets may also be affected by the success or failure of the rail network:

- “Reduce congestion on the inter-urban trunk road network and in large urban areas in England below 2000 levels by 2010;
- Improve air quality”.⁷

6. In addition, the SRA has been given goals to secure growth of 80% in freight traffic (measured in freight tonne kms) over the 10 Year Plan period.

7. National targets, however, can only be achieved by a series of actions at local level. Our inquiry into Railways in the North of England suggests that the contribution rail can make to local travel, in particular, in this area, has been held back because of reluctance to invest the sums needed in the infrastructure, a lack of strategic grip from the SRA, a reluctance to consult local partners about services needed and a depressing tendency to meet an increase in demand for rail with concern rather than delight.

8. These problems are not confined to services in the North of England; we expect that we would find similar problems if we investigated many, if not all, regional services. But the North is a complex operating environment. It has to serve two clusters of relatively closely linked conurbations, major cities such as York and Newcastle, as well as important local centres with large rural hinterlands such as Barrow or Carlisle. Rail has a key part to play in ‘joined up government’ in the North; we are concerned that it is not being developed to its full potential.

⁴ Transport 2010: The 10 Year Plan, July 2000 p 5.

⁵ *ibid*, p 42.

⁶ Delivering better transport: Progress Report, December 2000, pp 160-161.

⁷ *ibid*, pp 160—161.

2 Economic Impact

9. One of our concerns was the influence of rail services on economic and social development in the region. We were struck by the degree of agreement among our witnesses that not only were existing rail services essential, but enhancement of rail services would bring significant benefits.

10. Witnesses from conurbations and urban districts pointed out the importance of rail in:

- a) dealing with commuter flows which would otherwise depend on road transport;⁸
- b) providing links between regional urban centres and between those centres and other parts of the United Kingdom;⁹
- c) providing access to other transport hubs such as Manchester Airport, Liverpool Airport, the Mersey ports and the Port of Heysham.¹⁰

11. The North of England contains several important freight corridors. In particular, Yorkshire Forward and the Yorkshire and Humber Assembly pointed out the region contained Immingham, the UK's busiest port, in terms of freight tonnage, and the port of Hull. There was general agreement that rail routes to each port needed upgrading.¹¹

12. Witnesses also pointed out the important contribution rail could make both in providing effective links between centres of population in largely rural areas, and in promoting the sustainability and attractiveness of tourism. As Cumbria County Council said:

“The rail network plays an important role in improving the sustainability and attractiveness of tourism. In particular it provides an important mode of access to the Lake District via the Windermere Branch line and has great potential to expand tourism in west and south Cumbria via the Cumbrian Coast line and Furness Line. The Settle-Carlisle line has developed to provide an attraction in its own right as well as access to rural east Cumbria and the Yorkshire Dales”.¹²

13. Not only does rail increase the sustainability of tourism, particularly in places which are valued for their natural beauty, but several witnesses also noted that tourists arriving by rail typically spent more in a region than tourists arriving by car.¹³

14. There is also an issue of social inclusion. Car ownership is below average in many parts of the North.¹⁴ Passengers in the North East said “it should be an objective of the SRA within the overall transport plan, not to reduce car ownership but to reduce the need for

⁸ Ev 75, Ev 114, Ev 116.

⁹ Ev 45; Ev 116; Ev 124.

¹⁰ Ev 47; Ev 55; Ev 81; Ev 139; Ev 177.

¹¹ Ev 42; Ev 55, Ev 56.

¹² Ev 105.

¹³ Ev 57; see also Ev 53; Ev 184.

¹⁴ Ev 76; Ev 88.

car use to make rail-appropriate journeys”.¹⁵ **A healthy rail infrastructure not only reduces the disadvantages of those without a car, but has the potential to deliver other Government objectives, such as a reduction in pollution.**

Targets and Policy Making

15. When we began this inquiry, many witnesses were concerned that infrastructure investment was overly focussed on the South East.¹⁶ The SRA disputed this, claiming that the pattern of investment arose because of the concentration of passengers around London, and the fact that the railway network, with some important exceptions, was focussed on London. Mr Jim Steer, Strategic Director of the SRA claimed:

“The major routes go to London and that is where the major investment is going. However, that does not mean that the investment is in the south of the country and it certainly does not mean that the benefit of that investment is in any way, in my assessment, skewed towards the south of the country”.¹⁷

16. Since the Sub-committee took evidence last June, the SRA’s investment plans have been curtailed. The new priority is to improve the industry’s productivity which has fallen rapidly. Indeed, the rising costs of improvement to the rail infrastructure were drawn to our attention by many of our witnesses. No one could disagree that the rail industry’s cost base needs to be brought under control.

17. The Minister told us that the previous focus of the SRA toward large schemes might need to be corrected “because a considerable number of smaller schemes may deliver quite substantial enhancement to the network”.¹⁸ Since then, of course, the SRA’s new Strategic Plan has appeared, and it is clear that the current priorities are for a better and safer railway, rather than a bigger one.

18. There was concern that the Government’s own targets acted to direct investment away from areas in which it would be most helpful. The 10 Year Plan sets a target for growth in passenger kilometres. The Department itself told us it “is aware of comment from stakeholders that the Ten Year Plan’s use of passenger kilometres to measure passenger growth focuses investment on long distance routes and services in London and the South East. The department believes, however, that passenger kilometres is a more appropriate measure than passenger journeys, which would ... focus investment even more on south east commuter services, at the expense of longer distance services which benefit different parts of the country”.¹⁹ That is true, but it does not address the fact that the target will inevitably skew investment toward long distance journeys, which account for 33% of passenger kilometres, but only 8% of journeys.²⁰

¹⁵ Ev 90.

¹⁶ Ev 49; Ev 94.

¹⁷ Q 285.

¹⁸ Q 440.

¹⁹ Ev 187.

²⁰ Ev 186.

19. **The Government has rightly set itself targets for transport which address wider issues than simply moving people from A to B. There appears to be a real danger that the SRA's current targets encourage investment in areas which are already well served, or on long distance routes, rather than where investment may most benefit the wider community.**

Target setting and Investment Appraisal

20. It is far from clear that the SRA is sufficiently responsive to the transport needs in the North. The Greater Manchester Passenger Transport Authority and Executive told the Committee that there was serious concern that the “growing congestion will stall the region's recovery”.²¹ Better rail services were needed to reduce this. We were also told that “rail massively underperforms in Greater Manchester. In 2001, the whole of the local rail network carried only 14 million passengers compared with 18.3 million carried on two Metrolink Lines”.²²

21. Friends of the Earth drew our attention to the finding that the supply and modal share of public transport in Manchester was the lowest in seven comparable European cities.²³ There is clearly room for improvement and Mr Mulligan of the Greater Manchester Passenger Transport Executive was confident that “If we can develop the rail network as a mass transit system, then we will see a major effect on our economy”.²⁴ It was striking that the Authority and Executive's belief that it was economically necessary for infrastructure to be upgraded so that rail traffic could be increased was shared by most other local authority witnesses.²⁵

22. As Manchester Airports plc pointed out:

“The objectives of the [10 Year] Plan are to achieve a 50% increase in passenger kilometres, reduce overcrowding and an 80% increase in freight tonne kilometres. When judging schemes to go forward, the SRA applies value for money and affordability tests. This inevitably will focus investment into rail schemes in the South East where subsidies are lower, and on Inter City routes where their combination of high value fares and long journey sectors will always look better value than investments in the high subsidy regional rail networks. This one size fits all approach is ill equipped to make rational and balanced judgements on schemes outside the south east. The North of England has very real problems with rail services that need investment to solve them. They are different in nature and scale to the south east, but no less important to the regional and national economy”.²⁶

²¹ Ev 94, see also Q 127.

²² Ibid.

²³ Ev 110.

²⁴ Q 138.

²⁵ Ev 181; Ev 189.

²⁶ Ev 50.

Appraisal Criteria

23. In April 2003 the SRA finally published its appraisal criteria, which had been approved by the Secretary of State.²⁷ They include road user benefits and potentially unpriced rail user benefits²⁸ such as:

- Journey time, reliability and punctuality;
- Service frequency;
- Crowding;
- Station facilities and rolling stock quality.

24. However, the appraisal document is more guarded about the value to be ascribed to wider economic benefits, noting that enhancement of services may have adverse effects on a local economy, rather than beneficial ones, and that even where benefits are achieved, they may simply be activity displaced from elsewhere. The SRA does expect an assessment of wider economic benefits for the following types of expenditure:

- “where it is expected to have a clear impact on regeneration areas, sponsors should complete an Economic Impact Report following its introduction from DfT. Guidance on the preparation of an Economic Impact Report is available from DfT.
- Where major investment might change the balance of economic advantage between different regions. Such cases would include new high speed routes”.

However, it made clear that:

- “The SRA is keen to encourage joint sponsorship for projects with significant regeneration benefits, where these meet regional objectives of other sponsoring bodies. The SRA will take regeneration effects into account in the appraisal, but it will not provide additional subsidy in lieu of such benefits”.

25. This contrasts with the Highways Agency which says:

“The Highways Agency will, in its role as a network operator, assist regional planning organisations to develop their strategies and implement elements of the adopted strategies. This includes supporting regional economies through the improvement of the trunk road network, where this is consistent with national economic efficiency and gives due weight to the non-economic impacts of improvements”.²⁹

26. In our report on the multi-modal studies we were concerned about the imbalance between road and rail schemes.³⁰ The SRA has to consider how best to apply limited funds

²⁷ Appraisal Criteria: A guide to the appraisal of support for passenger and freight rail services, SRA April 2003.

²⁸ Under some circumstances there may be values ascribed to aspects of these benefits.

²⁹ Better Value from Busy Roads: Highways Agency Economy Strategic Plan.

³⁰ Transport Committee, Third Report of Session 2002—03, Jam Tomorrow?: The Multi Modal Study Investment Plans, HC 38-I, para 173.

to the benefit of the network as a whole. It is understandable that the SRA would not wish to fund projects of limited value to the network, but this issue needs to be addressed.

27. Where roads are promoted which offer potential regeneration benefits, the funding, design and development is driven and assured by the Highways Agency. By contrast, on the rail network, those proposing improvements have to beg and borrow from a diverse range of agencies, applying for an uncertain small amount of SRA funding and, if successful, having to ensure that the project is included in Network Rail's work programme. This is not a level playing field.

28. Major regeneration decisions should not be taken by individual infrastructure providers. Some may be funded by local or regional bodies; some may be too large for them to support. There should be clear consideration of transport needs in regeneration planning, and some way to meet those needs.³¹

29. The Department should ensure that the railway network sustains the Government's policies on economic regeneration. Our colleagues on the ODPM Committee have repeatedly expressed concern about the difficulty of ensuring that transport is taken properly into account in regional or local strategies; we share their concern.

Smaller Schemes

30. Local authorities and passenger transport organisations already support some services which are considered desirable, but which are not effectively funded by the SRA. Here, too, the current system of funding rail improvements does not appear to provide any means for a clear view to be taken on the relative priority of improvements.

31. The bidding guidelines for the Rail Passenger Partnership (RPP)³² illustrate the lack of coherence about rail priorities.³³ The RPP "provides funding for improvements to regional and local services that are not commercially viable, but which meet other objectives such as integration with other transport modes".³⁴ Schemes have included re-opening stations, interchanges with other transport modes and new or enhanced rail services.

32. The RPP Guidelines state:

"RPP is a form of partnership funding and therefore only one of possibly many funding components in a scheme. Bidders for RPP should ensure that they have fully explored the opportunities for support, both financial and non-financial, available from other sources, before completing an RPP bid".³⁵

33. Potential sources of funding could be:

³¹ We note that the Committee on the Office of the Deputy Prime Minister has recently criticised transport planning in its report on Planning for Sustainable Housing and Communities: Sustainable Communities in the South East. Eighth Report of Session 2002-03, HC 77-1, para 136.

³² Rail Performance Fund Bidding Guidance, 1st edition, May 2002.

³³ There is also a Rail Performance Fund which is "a form of co-funding designed to encourage improvement in rail network performance" by "small scale enhancements and other measures". The bidding rules for RPP and RPF are similar, although not identical.

³⁴ SRA Strategic Plan 2003, p 90.

³⁵ RPP Bidding Guidance, SRA.

- Fare revenue;
- Railtrack;
- TOCs;
- Other private sector companies;
- Devolved governments, local and regional authorities, TfL;
- Development Agencies;
- DTLR,³⁶
- The European Union;
- The National Lottery.

34. Where the scheme is capable of delivering regeneration benefits, the SRA will take this into account during scheme appraisal but will expect the applicant to approach other organisations to fund such benefits. “For Major Schemes, where regeneration benefits will be significant, sponsors should approach Development Agencies whose prime objective is to promote such benefits. Similar principles apply to Fast Track schemes where appropriate initiatives may exist”.³⁷

35. This diversity of funding may be admirable, but it means that the SRA will be faced by a series of ad hoc competing bids for partnership funding and, indeed, effectively for permission to undertake certain enhancements. Each scheme will address the objectives of whatever groups are involved. This may produce a stream of high quality strategic improvements which enhance the network as a whole. It is not certain that it will do so.

36. Central Government has to play a role here. The 10 Year Plan made it clear that the Government would be prepared to reallocate funding between particular modes of transport.³⁸ **Central Government should have clear criteria for considering funding rail infrastructure improvements which offer social, economic or environmental benefits or, at the very least, assisting local authorities to do so.**

3 Specific Projects

West Coast Main Line

37. At the time we took our evidence, the most significant project of benefit to the North was the West Coast Mainline (WCML) upgrade. The history of the WCML suggests that the need to invest to make a modern railway was not faced until after privatisation. After privatisation, two schemes emerged - PUG 1,³⁹ agreed by Railtrack and the Office of

³⁶ The guidelines have not yet been revised to take account of machinery of Government changes.

³⁷ Ibid.

³⁸ Transport 2010: The 10 Year Plan, Department of Environment, Transport and the Regions, July 2000, p 38.

³⁹ Passenger Upgrade 1.

Passenger Rail Franchising and PUG 2⁴⁰, a more ambitious upgrade agreed between Virgin Rail Group and Railtrack, with the approval of the Rail Regulator.⁴¹ It is notable that “from the outset, the cost of making good arrears of maintenance and renewals, which had built up over the previous 30 years, was known to be dominant in the project”.⁴²

38. Since the end of 1999 it has been clear that the planned upgrades, which would have ultimately increased capacity to ten or eleven trains an hour and speeds to 140 miles an hour, was not deliverable. Costs escalated alarmingly. Railtrack had failed to develop a costed and practical project plan. In consequence, the SRA approved a £106 million payment to Virgin Rail Group, to compensate for the disruption to its business plan.

39. The SRA has now grasped this nettle, and drawn up a strategy. Compromises are necessary but the SRA’s aims are:

- that “although the fastest journey times to which VRG originally aspired will not be met, the WCML will become a 125 mph tilt railway, and the sought after Manchester - London journey time of two hours will be achieved;
- that some alterations to existing freight services will be necessary. Nevertheless, with additional capacity for growth, the WCML will be able to fulfil its role as the country’s principal freight artery, including capacity for two-thirds more freight volume;
- that all of the key commuter flows (which are by no means limited to London) will be provided with sufficient capacity, even though the service patterns in some cases will differ from those to which some stakeholders aspire”.⁴³

40. Temporary line closures are necessary to ensure the work can be completed in a reasonable time. It is too early to tell whether the revised strategy for the West Coast Main Line will be successful. The recently published Business Plan for Network Rail notes that although the SRA has concluded the scope review of that project “the translation of that scope into a fully detailed workplan is not yet complete”.⁴⁴ Even if it produces the technical benefits required, it may have long term effects on rail usage; for example, weekend blockades may mean leisure travellers stay away in the longer term.⁴⁵ As both the Chairman of the SRA and the Secretary of State repeatedly point out, rail infrastructure costs are escalating. However, **the Strategic Rail Authority is to be commended for its intervention in the West Coast Line Upgrade; it is precisely this strategic view which was lacking in the past and which the SRA should provide.**

Other Capacity Improvements

41. Mr Cameron, Managing Director of Arriva told us “I do not believe there has been sufficient infrastructure in the last 40 years to cope with the growth of usage on the

⁴⁰ Passenger Upgrade 2.

⁴¹ Consultation Document, SRA, October 2002.

⁴² Ibid.

⁴³ West Coast Strategy: Consultation Document, SRA, October 2002, para 2.7

⁴⁴ Network Rail Business Plan p 37.

⁴⁵ Q 56.

railways”.⁴⁶ Few would disagree. Services between Northern conurbations are particularly slow. Jim Bamford, formerly Deputy Chair of the South Yorkshire Passenger Transport Authority claimed that current speeds on some northern routes were as follows:

- Leeds-Bradford 32 mph^{*47}
- Leeds-Preston 39 mph*
- Leeds-Lancaster 40 mph*
- Leeds-Sheffield 32 mph
- Sheffield-Huddersfield 25 mph
- Manchester-Blackburn 31 mph
- Manchester-Buxton 28 mph*
- Liverpool-Wigan 32 mph*
- Newcastle-Sunderland 38 mph.⁴⁸

42. We asked the SRA for confirmation of these figures and were told that the SRA neither specifies nor monitors live speeds. This in itself is astonishing. The SRA pointed to the Passenger Service requirements which describe minimum service levels in existing franchise agreements and which specify maximum journey times. These are themselves often inadequate: it is entirely unsatisfactory that it should take nearly the same time to travel the 99 kilometres between Doncaster and Manchester as it does to travel the 249 kilometres between Doncaster and Kings Cross.⁴⁹ **We consider that average speeds are a transparent and useful indicator of performance, particularly where there is evidence of failing services. We recommend that the SRA takes steps to collect and publish such information in the future.**

43. It is generally accepted that the infrastructure in the North of England is constrained. Mr Cameron told us that the company had “proposed re-opening the Woodhead Tunnel to deal with congestion between Sheffield and Manchester where the existing infrastructure could not cope both with an increase in passenger usage and an increase in freight”.⁵⁰ Mr Green of Virgin Trains said that, although co-operation between train companies would give some increase in capacity, “...what you really want is going to take five or ten years, which is a big investment in flyovers”.⁵¹ The SRA's own route descriptions for the North West network acknowledge that capacity in and around Manchester and Liverpool is limited. The description for North East Yorkshire and Humberside notes that one of the

⁴⁶ Q 11.

⁴⁷ * semi-express or semi-fast service, Ev 154.

⁴⁸ Ev 154.

⁴⁹ Ev 62 Doncaster-Manchester times between 1.23 and 1.45 hours; Doncaster-London 1.49 hours (1.44-1.49 hours).

⁵⁰ Q 18.

⁵¹ Q 123.

principal bottlenecks is “almost the whole route between Leeds and Manchester Piccadilly, due to high utilisation, flat crossings and limited passing facilities”.⁵²

44. The route description entries on planning, multi-modal and freight issues for both routes note that improved passenger transport integration with light rail and other systems is desired in the major cities, as are improved passenger links with Hull, improved links to Manchester and Liverpool John Lennon Airports and better freight facilities. The full requirements are listed in Box 1.

Box 1: SRA Route Descriptions

Planning, multi-modal and freight issues: North West Routes

- Integration with light rail and local bus services in the centre of major cities, e.g. Manchester;
- Provision of enhanced public transport access to Manchester Airport
- Improved station planned at Allerton, linking to Liverpool John Lennon Airport
- The South East Manchester, and Junctions 8-11 on the M60 Motorway, multi-modal studies have made proposals for rail services in the area
- Two or three new large regional freight interchanges will be required in the region. A number of sites are undergoing evaluation.

Planning, multi-modal and freight issues: North East, Yorkshire and The Humber Routes

- The Yorkshire & the Humber Regional Planning Guidance, published in October 2001, looked for improved passenger and freight links to Hull, some of which are being realised by Hull Trains;
- Links between national rail network and the Tyne and Wear Metro system, especially shared use of track between Sunderland and Gateshead. Interchanges with Sheffield Supertram and with the (planned) Leeds Supertram;
- The North East Regional Planning Guidance looked for reopening to passenger service of freight branches, including the re-opening of the Leamside line;
- The South and West Yorkshire, Tyneside Area, Hull and A1 North of Newcastle multi-modal studies raise issues in relation to rail services in the region;
- The group of existing freight interchanges around Leeds, Doncaster and Wakefield provide adequate capacity for South Yorkshire. There are, however, a number of proposals being developed for freight sites elsewhere in the Region;
- Further development is planned by the port of Immingham, to handle increased imported coal traffic by rail.

Data Source: SRA Strategic Plan 2003: Route Descriptions p.41, p.47.

45. These may be long term aspirations. The SRA’s planned enhancement projects for each region are in Box 2.

⁵² SRA Strategic Plan 2003: route Descriptions pp 45, 46.

Box 2: SRA Route Descriptions**Enhancement projects in progress or planned on North West Routes**

- Refurbishment of existing trains and provision of new/modern rolling stock;
- Station improvement at Burnley Central, Chorley and Ashton-under-Lyme stations;

Enhancement projects in progress or planned on North East Routes

- A proposal for eight Class 333 trailer vehicles to lengthen all units up to four cars, platform extensions at four stations on the Wakefield line, and four additional 4-car units to convert the Doncaster line services to Class 333 operation;
- The North Pennine route to be enhanced to allow standard 2.9m/9'6" containers to be carried. In addition, there would be improvements to the South Humberside section, the Hope Valley, and the Hull Docks branch.

Data Source: SRA Strategic Plan 2003: Route Descriptions p.41, p.47.

46. This is at odds with the evidence we received only last June, when we were told that increasing the Transpennine infrastructure to take a significant increase in the East-West freight was high on the SRA's list of priorities, and that the major deficiencies were in and around Manchester and across the West Coast Mainline.⁵³ It also falls far short of the aspirations of the Northern Local Authorities, and Passenger Transport Executives. They consistently identified congestion in the Manchester area as a key problem, and many recommended implementation of the Greater Manchester Strategic Rail Study. Train Operating Companies were also eager for improvements in the Manchester lines.

47. Mr Steer of the SRA told the Sub-committee that the West Coast upgrade and better time-tabling would go some way toward reducing those constraints, and that projects were considered not to produce benefits commensurate with their considerable cost.⁵⁴

48. Network Rail has now published its Business Plan showing the works it intends to carry out during the planning period. Those plans are not described in detail, but it is notable that, on current plans, other than the WCML upgrade and "improvements to the East Coast Main Line", little is being done to improve capacity in the North of England.

49. Whereas previously, projects such as the South Manchester hub were identified as priorities, their future is now uncertain. Major projects appear to be demoted with little or no justification. This is wrong. It also makes the task of planning integrated transport strategies difficult for the Local Authorities. The SRA needs to provide certainty and to make a case for funding from Government for such important projects. The outcome of the 2004 Spending Review will be critical for the future size and quality of the regional rail networks.

⁵³ Q 264, Qq 295-296.

⁵⁴ Q 327, Q 332.

4 Franchise Payments

50. Mr Mulligan, the Director General of the Greater Manchester Passenger Transport Executive (PTE) told us that, without investment “we shall be paying enormous amounts of subsidy over the next 10, 15 or 20 years to perpetuate the system which is simply not working.”⁵⁵ In the 12 months to March 2002 Northern franchises received the following net payments:

Table 1: Payments to Northern Train Operating Companies

Franchise	£000
Arriva Trains Merseyside	£6,320
Arriva Trains Northern	£115,197
First North Western	£86,586
Virgin Cross Country	£118,510*
Virgin West Coast	£190,906*
Total	£517,519

Data Source: SRA Annual Report, 2001-02, p107. * Services not confined to the north.⁵⁶

51. In addition the following payments were made by PTEs:

Table 2: Payments by PTEs to Northern Train Operating Companies

Franchise	Area	£000
Arriva Trains Merseyside	Mersey Travel*	£71,639
Arriva Trains Northern	Greater Manchester	£4,989
	West Yorkshire	£48,239
	South Yorkshire*	£26,204
	Nexus (Tyne and Wear)*	£6,978
First North Western	Greater Manchester	£67,509
	West Yorkshire	£2,702
	Mersey Travel*	£16,522
Total		£244,781

Data source: SRA Annual Report 2001-02, p 107-8

*Indicates that the PTE retains revenue risk and pay gross operating costs less revenue. Amounts shown are gross costs before revenue.

⁵⁵ Q 128

⁵⁶ GNER made payments rather than receiving them.

52. These are huge sums. Even allowing for the exclusion of revenue from some of the PTE figures, well over half a billion pounds per year goes into the revenue support for rail services connected with the North of England, at least £1.5 million per day. Increases in infrastructure capacity would themselves have costs, but they are likely to enable increases in rail use. Not only is this desirable for social grounds; it may also lead to reduction in the revenue subsidies required.

5 Relationship with Stakeholders

53. The SRA clearly has a great deal to do to convince those in the North that its investment plans make the most appropriate use of the resources available to it. Given this, it is particularly unfortunate that, almost without exception, our witnesses were concerned about its failure to consult and lack of local knowledge.

54. The North West Regional Assembly told us it was “disappointing and frustrating that the SRA have not seen fit to date to work closely with or consult stakeholders on either the Strategic Plan or the refranchising process.”⁵⁷ This frustration was shared by Yorkshire Forward, the Regional Development Agency for Yorkshire and Humber and the Yorkshire and Humber Assembly, the Regional Planning Body for the area,⁵⁸ Passengers in the North East,⁵⁹ Lancashire County Council,⁶⁰ Cumbria County Council,⁶¹ and Passenger Groups such as the North East Combined Transport Activists’ Round Table⁶² or its equivalent for Yorkshire and the Humber. The Rail Passengers Committee told us “They listen, that is certainly true, but how much account they take of what we say is another matter”.⁶³ Although both Cumbria and Lancashire County Councils considered that the PTEs were better consulted than they, the PTEs themselves clearly felt the SRA was unresponsive to their concerns.⁶⁴ By comparison with the Highways Agency, witnesses felt that the SRA was unresponsive, and ignorant of local needs and conditions.⁶⁵ Train Operating Companies such as GNER also felt that the SRA failed to share its plans.⁶⁶ The SRA was seen as an entirely London centred organisation whose approach to consultation was simply to try and persuade consultees of the merits of decisions the Authority had already made.⁶⁷

55. In contrast, Mr Steer told us that the relationship with PTEs was extremely important, and that the SRA needed to draw upon their local knowledge.⁶⁸ When the Chairman of the SRA appeared before us last November he accepted there had been problems in the past:

⁵⁷ Ev 115.

⁵⁸ Ev 54.

⁵⁹ Ev 88.

⁶⁰ Ev 98.

⁶¹ Ev 103.

⁶² Ev 52, see also Ev 55.

⁶³ Q 365.

⁶⁴ Ev 94; Ev 95, Ev 123.

⁶⁵ Ev 52, Ev 91.

⁶⁶ Ev 152.

⁶⁷ Ev 131.

⁶⁸ Q 322.

“I fully accept that there has been production of plans at the SRA in the past that have not been as connected with regional and local plans as they should have been, and I accept that. All I can do is sort it out for the future, and that is what we are doing, and we are now making sure that our relationships with Regional Development Agencies, local authorities, Passenger Transport Executives, are taken forward in a very much more integrated way. For the future, we are sorting it, but I accept your description of where we have come from”.⁶⁹

56. However, in February 2003 the SRA introduced major timetable changes and reductions in routes without consultation with the Rail Passenger Council or PTEs. The timetable changes were intended to ensure the efficiency of the network, but appeared to take no account of such changes on the localities affected. **Major timetable changes should not be announced without consultation with the local bodies affected. If the SRA will not consult willingly, it should be made compulsory for it to do so.**

57. **The most recent strategic plan promises better links between national and regional planning, which is intended to contribute to the Government’s social inclusion objectives and which will draw on the multi-modal studies. However, it is notable that rather than working separately with particular regions, the SRA will handle these links through a single dedicated team. That may provide improvements, but there must be a danger that the regions will continue to believe the SRA does not properly understand local conditions and aspirations.** It is clear that the Chairman of the SRA agrees that change is needed in the Authority’s attitude to consultation, as in many other matters. It remains far from clear that this change can be delivered, despite the strategic plan aspirations. **In the North of England at least, the SRA has forfeited the confidence of the very groups that should have been its partners: it will take more than warm words from the Chairman to put this right.**

6 Franchise Issues

58. At the time of our inquiry we received considerable evidence about the performance of particular franchises. We do not wish to produce a sustained commentary on individual cases, but there are a certain number of issues we wish to draw to the House’s attention.

59. The experience of Arriva Trains Northern and Arriva Trains Merseyside demonstrates the flaws of the original franchising system. The two franchises were originally held by Merseyrail Electrics and Northern Spirit; when Arriva took over the franchises the following problems were identified:

- i) the franchise had a driver shortfall of 34;
- ii) there were severe shortages of other staff, including conductors;
- iii) there was insufficient driver training resource without any systematic programme to recruit new train drivers;

⁶⁹ in the Work of the Strategic Rail Authority, HC 125-i Q 39.

iv) the franchise had access to “insufficient rolling stock”.

The contract was transferred to a cost plus basis in 2001.

60. Mr Cameron, of Arriva Trains Northern, explained that:

“When we took over the franchise in February 2000, the Strategic Rail Authority asked us to take it over on the basis of the MTL⁷⁰ contract because they were only expecting us to run that operation until the end of 2000 when the franchising programme would be complete. The Trans-Pennine Express bid would have been finalised and awarded and so would the Northern Rail franchise. When we took over, we took over with the losses we inherited from MTL and we put in a very robust recruitment and training programme once we found out the scale of the problem. The difficulty is that it takes some 15 months to recruit and train a driver, so even though we put the programme in place in April 2000, it was not going to be until July 2001 that the first driver would come out of the training programme and that is what would cause the underlying problem in September/October 2001”.⁷¹

61. Mr Newton, Chief Operating Officer of the SRA, explained;

“It is true to say that the full range of the problems were not fully understood; I do not think they were understood by Arriva or the SRA or SSRA [the Shadow Strategic Rail Authority] as we were at the time. I think the priority in that situation was that we were faced with the imminent financial collapse of the existing franchisee and it was fortunate, in that context, that Arriva were able to move in and take over at relatively short notice but also maintain the then current funding level for at least a 12 month period. At the time, the prospect was that that 12 month period would be sufficient for us to put in place a revised alternative franchise as a policy developed in the concept of Trans Pennine and Northern separate franchises, but that did not materialise and I think it was over that period that Arriva really started to address [them]”.⁷²

62. He was entirely clear that:

“Because the original policy which surrounded the original franchises was very much an arm's length policy, to place a contract or place a franchise at minimum cost and to stand back to a great extent and leave the franchisee to deliver the service. The situation when Arriva took over was that the key objective was to actually rescue the franchise from imminent financial collapse. It was an acquisition by Arriva of MTL and part of that process was their due diligence of the business they bought. It was not only Northern Spirit, it was Merseyrail and also Bus Businesses”.⁷³

63. We were concerned that Arriva did not appear to have conducted adequate due diligence checks on the franchises it took over. It is extremely troubling that these

⁷⁰ Mersey Travel Limited

⁷¹ Q 5

⁷² Q 267

⁷³ Q 271

discoveries were not made until April 2000. The difficulties led to appalling passenger services, with trains delayed or cancelled.

64. Eventually, Arriva decided on drastic action and in October 2001 reduced rail services, and substituted some with buses. Very little notice was given of these changes, which were announced on a Friday and implemented the following Monday. Professor May of the Institute for Transport Studies at the University of Leeds, described the effects:

“The overall reduction, for services from my local station, Thirsk, was just under 40% on a service which was previously only hourly. Key commuting services to Darlington and Newcastle, and to and from York and homebound from Leeds were withdrawn. The only alternative for commuting journeys to Newcastle was a bus with a three minute connection at Darlington. As a result some commuters from Thirsk were forced to change jobs. Many more will have had to switch to car use, and many will not have returned to the trains since”.⁷⁴

65. Mr Cameron defended Arriva’s actions, saying “We had to do something when we were 165 drivers short, which was the worst position that we faced in early October”.⁷⁵ He also claimed that announcements of timetable changes were delayed for over a month by the need to agree them with PTEs and the SRA. Professor May noted that although Arriva did stop a through service at Thirsk, the service stopped “did not appear in the timetable, and they claimed negotiations with Railtrack had delayed its announcement”.⁷⁶

66. It is entirely unacceptable that passengers should have been given a weekend’s notice of passenger service changes which had been foreseen for over a month. It is irresponsible to hope the industry will muddle through severe shortages of skilled staff. If a Train Operating Company ever again considers it is necessary to take drastic action to stabilise services, all other parties should engage urgently. There should be clear and adequate notice of planned changes, and the quality of replacement services should be monitored. This will require that the TOC, Network Rail, the SRA and, in some cases, local authorities and passenger committees, work together. If the service to passengers can be improved by requiring changes to services which are not directly affected, this should be a requirement. Planning for these service changes should begin by assessing the needs of the passenger, and attempting to meet these needs, rather than by considering the interests of franchise holders or the SRA itself, encouraging new routes to Manchester offered by Midland Mainline.

67. In March 2002, the SRA confirmed that Arriva would be fined £2 million and required to recruit and train new drivers. The company would face additional fines if it failed to do so. We welcome the fact that the SRA required that the drivers be newly trained, and not recruited from other operators.⁷⁷

68. It would be unfair, however, not to acknowledge that all parties are working together to address the skills shortages which underlay the failure of services experienced by customers

⁷⁴ Ev 91.

⁷⁵ Q 35.

⁷⁶ Ev 91.

⁷⁷ SRA news release, 25 March 2002.

of Arriva Trains Northern. Arriva themselves invested heavily in the training of new drivers and in an improved customer helpline service. The PTEs and the SRA are working to implement a “framework for skills in the Rail Industry”, to help support the industry in developing the trained workforce it requires. **We welcome the Government’s lead in establishing a framework of skills for the rail industry; the industry itself must now take responsibility for ensuring it has the trained workforce it needs.**

Operation Princess

69. In September 2002 Virgin Cross Country launched a new timetable in “Operation Princess”. Although it extended beyond the North, Virgin told the Sub-committee:

“The entire CrossCountry timetable is to be re-written on 30 September to create the new regional network in which train services frequencies will almost double overnight and many journeys accelerated. The new CrossCountry timetable is code-named Operation Princess and represents one of the biggest national timetable changes in the last 30 years. The North East will be one of the main beneficiaries of the upgrading with a doubling of train frequencies throughout the region as follows:

CrossCountry trains: daily to/from	Now	30 September 2002
Berwick	6	32
Newcastle/Durham/Darlington	27	64
York	28	64
Leeds	21	33
Doncaster	11	30
Sheffield	32	65

The new service will give the North East two core CrossCountry links across the UK: a) an hourly Edinburgh-York-Leeds-Birmingham-South West service; and b) an hourly Newcastle-York-Doncaster-Birmingham-South Coast service. Trains will be routed alternatively via Leeds and Doncaster to provide each with an hourly CrossCountry service and more connections into local train service networks (40% of CrossCountry passengers use another train company). The new services also create a new two-hourly direct service link between the North East and South Wales.⁷⁸

70. Services would also be improved in the Northwest:

“A rather ragged CrossCountry service pattern will be replaced with a new hourly service to Carlisle/Scotland and Birmingham/Reading. There will also be new two-hourly service from Manchester to Scotland, from Blackpool to Birmingham and from Liverpool to Birmingham. Operation Princess will renew the entire

⁷⁸ Ev 158.

CrossCountry train fleet with Voyagers/Super Voyagers from 30 September 2002 in the North West, and will bring major timetable benefits in both service frequency and journey times:

CrossCountry trains: daily to/from	Now	30 September 2002
Manchester-Birmingham	38	50
Warrington-Birmingham-South	15	32
Liverpool-Birmingham-South	10	18
Blackpool-Birmingham-South	3	14
Preston-Birmingham-South West	22	48
Birmingham-Scotland	29	55

71. Operation Princess has not gone as smoothly as planned. In the first place, there has not been the capacity on the Network to accommodate all these service increases. By February 2003 the SRA was announcing thinning some services to increase network reliability.

72. Secondly, Virgin replaced old trains with new Voyager trains which, Virgin told us:

“...offer a vastly improved travel experience with an on-board shop, and club class area with an at-seat service, electronic information systems and audio entertainment at every seat. The Voyager/Super Voyager fleets are amongst the first in the UK to fully comply with the European legislation for disabled access”.⁷⁹

73. The new trains, although more frequent than those they replaced, were smaller. It was not long before there were widespread complaints about their overcrowding. When he appeared before us in another inquiry, Mr Green explained:

“The underlying cause of the overcrowding was a massive growth in short term travel on the route which we designed as a long-distance route.... We have learnt some tough lessons on overcrowding, particularly overcrowding on a congested railway. I think we have also demonstrated that introducing a fast, frequent service of new trains does attract a lot of new passengers, so the challenge is how to maintain this upward trend at a slower growth rate so we have time to match demand with capacity”.⁸⁰

74. There are several lessons to be drawn from this episode:

a) **the SRA needs to take a much clearer view of the network capacity before approving timetable changes.**

⁷⁹ Ev 159.

⁸⁰ Overcrowding on Public Transport Q 137.

- b) **when high quality, frequent, trains are provided overall passenger use grows. This suggests that there may be ways to cut subsidies while improving the service.**
- c) **the increased demand is for regular short to medium journeys, rather than long distance ones. The Government's target for increasing passenger kilometrage must not be an excuse to provide a service which does not meet customer needs.**

75. Given this history, it is entirely understandable that the SRA has adopted a new franchising policy, which allows it to impose far more detailed controls over operating companies. However, the SRA has itself compounded the difficulties by failure to make clear plans and to keep them. Refranchising was expected in 2001. In 2002, when we took our evidence, it was expected that the Transpennine and Northern Franchises would be created by 2003.⁸¹ Since then the SRA has reached agreements with Arriva Trains Northern to operate services on the Transpennine Express services until late 2003 and the Northern Rail services until summer 2004. The franchises are now expected to last for eight to ten years, rather than the fifteen years envisaged by Mr Steer of the SRA in June 2002. We note that although in November 2002 the SRA thought it would announce the preferred bidder for the Transpennine Express "early in the New Year"⁸² there had been no announcement by the time this report was agreed on June 11 2003.

76. We understand that letting franchises can be a lengthy business, and that timetables may not be precise. It is better to change a bad policy than to keep it simply to avoid disruption. However, the SRA has spent two years longer than originally envisaged to let these franchises, and the process is still incomplete. The SRA, quite rightly, wishes the industry to have clear targets, and to be penalised for failing to meet those targets. It must set an example by itself being clear about its own processes, and performing the tasks it sets itself in the timescales it predicts.

7 Conclusion

77. A modern railway should meet customer needs, and meet the wider needs of society in providing clean, efficient transport. Without efficient railways the flow of traffic on our already congested roads would be greater, emissions would be increased, and alternatives to car use diminished.

78. The experience of Arriva Trains Northern brought home the value of rail. The bus services took twice as long as the trains they replaced, and Mr Cameron accepted that bus services were not comparable to trains:

"They do not make the journey time, they do not give the facilities trains can give for those people with buggies, those people who need facilities for the disabled".⁸³

79. Rail services may not always be appropriate, but there is no doubt they have many advantages. Our transport system should be able to provide a robust rail service, and should

⁸¹ SRA Strategic Plan, January 2002, p93.

⁸² SRA Press Notice, February 3, 2003.

⁸³ Q 34.

be focussed on what rail can provide for the customer, and for the region in which it operates.

80. Our inquiry into Railways in the North has instead shown a complex structure, in which responsibility is widely dispersed and there is little, or no, coherent way in which regional aspirations or customer needs can be given the attention they deserve. Problems such as the driver shortage at Arriva Trains Northern, were allowed to drift until action could not be avoided, and there was no time to communicate with customers. Rightly or wrongly, the SRA appears to have blocked plans for network infrastructure expansion, funded by TOCs, while allowing ultimately unsustainable timetable changes. PTEs and local authorities are inadequately consulted; underlying demand cannot be met.

81. The result of this can be seen in the most recent edition of National Rail Trends. While passenger kilometres on long distance London and South East routes had risen compared to the previous comparable quarter, those for regional operators had declined by 3%. Similarly, the number of journeys carried by long distance and London and South East operators had risen by 5.8% and 0.4% respectively while regional journeys had fallen by 6.3%. If the service offered by other regional rail routes matches that in the North, these figures cause little surprise. However, they are deeply disappointing, since it is clear there is market demand for a high quality, reasonably priced rail service. The United Kingdom has the world's fourth largest GDP; there is no reason why it should not provide one. It is intolerable that North of England should be so badly served.

Conclusions and recommendations

Economic Impact

1. A healthy rail infrastructure not only reduces the disadvantages of those without a car, but has the potential to deliver other Government objectives, such as a reduction in pollution. (Paragraph 14)

Targets and Policy Making

2. Since the Sub-committee took evidence last June, the SRA's investment plans have been curtailed. The new priority is to improve the industry's productivity which has fallen rapidly. Indeed, the rising costs of improvement to the rail infrastructure were drawn to our attention by many of our witnesses. No one could disagree that the rail industry's cost base needs to be brought under control. (Paragraph 16)
3. The Government has rightly set itself targets for transport which address wider issues than simply moving people from A to B. There appears to be a real danger that the SRA's current targets encourage investment in areas which are already well served, or on long distance routes, rather than where investment may most benefit the wider community. (Paragraph 19)

Appraisal Criteria

4. The Department should ensure that the railway network sustains the Government's policies on economic regeneration. Our colleagues on the ODPM Committee have repeatedly expressed concern about the difficulty of ensuring that transport is taken properly into account in regional or local strategies; we share their concern. (Paragraph 29)

Smaller Schemes

5. Central Government should have clear criteria for considering funding rail infrastructure improvements which offer social, economic or environmental benefits or, at the very least, assisting local authorities to do so. (Paragraph 36)

West Coast Main Line

6. The Strategic Rail Authority is to be commended for its intervention in the West Coast Line Upgrade; it is precisely this strategic view which was lacking in the past and which the SRA should provide. (Paragraph 40)

Other Capacity Improvements

7. We consider that average speeds are a transparent and useful indicator of performance, particularly where there is evidence of failing services. We recommend

that the SRA takes steps to collect and publish such information in the future. (Paragraph 42)

8. Whereas previously, projects such as the South Manchester hub were identified as priorities, their future is now uncertain. Major projects appear to be demoted with little or no justification. This is wrong. It also makes the task of planning integrated transport strategies difficult for the Local Authorities. The SRA needs to provide certainty and to make a case for funding from Government for such important projects. The outcome of the 2004 Spending Review will be critical for the future size and quality of the regional rail networks. (Paragraph 49)
9. Major timetable changes should not be announced without consultation with the local bodies affected. If the SRA will not consult willingly, it should be made compulsory for it to do so. (Paragraph 56)

Relationship with Stakeholders

10. The most recent strategic plan promises better links between national and regional planning, which is intended to contribute to the Government's social inclusion objectives and which will draw on the multi-modal studies. However, it is notable that rather than working separately with particular regions, the SRA will handle these links through a single dedicated team. That may provide improvements, but there must be a danger that the regions will continue to believe the SRA does not properly understand local conditions and aspirations. In the North of England at least, the SRA has forfeited the confidence of the very groups that should have been its partners: it will take more than warm words from the Chairman to put this right. (Paragraph 57)

Franchise Issues

11. It is entirely unacceptable that passengers should have been given a weekend's notice of passenger service changes which had been foreseen for over a month. (Paragraph 66)
12. We welcome the Government's lead in establishing a framework of skills for the rail industry; the industry itself must now take responsibility for ensuring it has the trained workforce it needs. (Paragraph 68)

Operation Princess

13. There are several lessons to be drawn from this episode:
 - a) the SRA needs to take a much clearer view of the network capacity before approving timetable changes;
 - b) when high quality, frequent, trains are provided overall passenger use grows. This suggests that there may be ways to cut subsidies while improving the service;

- c) the increased demand is for regular short to medium journeys, rather than long distance ones. The Government's target for increasing passenger kilometrage must not be an excuse to provide a service which does not meet customer needs. (Paragraph 74)
14. We understand that letting franchises can be a lengthy business, and that timetables may not be precise. It is better to change a bad policy than to keep it simply to avoid disruption. However, the SRA has spent two years longer than originally envisaged to let these franchises, and the process is still incomplete. The SRA, quite rightly, wishes the industry to have clear targets, and to be penalised for failing to meet those targets. It must set an example by itself being clear about its own processes, and performing the tasks it sets itself in the timescales it predicts. (Paragraph 76)

Formal Minutes

The following Declarations of Interest were made:

Mrs Gwyneth Dunwoody, Member, Associated Society of Locomotive Engineers and Firemen

Mr Brian H Donohoe, Mrs Louise Ellman and Mr George Stevenson, Members of Transport and General Workers' Union

Mr Graham Stringer, Member, Amicus-MSF.

Wednesday 11 June 2003

Members present:

Mrs Gwyneth Dunwoody, in the Chair

Tom Brake

Mr Gregory Campbell

Mr Brian H Donohoe

Mrs Louise Ellman

Mr John Randall

Mr George Stevenson

Mr Graham Stringer

The Committee deliberated.

Draft Report (Railways in the North of England), proposed by the Chairman, brought up and read.

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

Summary agreed to.

Paragraphs 1 to 81 read and agreed to.

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

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

[Adjourned till Wednesday 18 June at Three o'clock.]

Witnesses

Wednesday 19 June 2002

Page

Mr Euan Cameron, Managing Director, Arriva, **Mr Christopher Garnett**, Chief Executive, Great North Eastern Railway (GNER) and **Mr Chris Green**, Chief Executive, Virgin Trains

Ev 1

Mr Kieran Preston, Chairman, Passenger Transport Executive Group, and Director General, West Yorkshire Passenger Transport Executive, **Mr Roy Wicks**, Director General, South Yorkshire Passenger Transport Executive, and **Mr Chris Mulligan**, Director General, Greater Manchester Passenger Transport Executive

Ev 12

Mr John Armitt, Chief Executive, **Mr Robin Gisby**, Eastern Region Director, **Mr Tim Clarke**, North West Region Director, Railtrack plc and **Mr Michael Rollings**, Joint Special Administrator of Railtrack plc

Ev 16

Mr Mick Rix, General Secretary, Associated Society of Locomotive Engineers and Firemen (ASLEF), **Mr Bob Crow**, General Secretary, National Union of Rail, Maritime and Transport Workers (RMT) and **Mr Richard Rosser**, General Secretary, Transport Salaried Staffs Association (TSSA)

Ev 22

Wednesday 26 June 2002

Mr Nick Newton, Chief Operating Officer and **Mr Jim Steer**, Managing Director, Strategic Planning, Strategic Rail Authority (SRA)

Ev 28

Mr Brendan O’Friel, Chairman, and **Mr John Moorhouse**, Secretary, North Western England Rail Passengers Committee, **Mr Jim Beale**, Chairman, and **Mr Ernie Preston**, Secretary, North Eastern England Rail Passengers Committee

Ev 35

Rt Hon John Spellar MP, Minister for Transport, and **Mr Mark Coulshed**, Divisional Manager, Railways Sponsorship Division, Department for Transport

Ev 39

List of written evidence

1	Freightliner	Ev 47
2	Manchester Airport	Ev 47
3	North East Combined Transport Activists' Roundtable (NECTAR)	Ev 50
4	First Stop York Tourism Partnership	Ev 53
5	Yorkshire Forward and the Yorkshire and Humber Assembly	Ev 54
6	CKP Railways plc	Ev 56
7	Ernest Godward Esq	Ev 58
8	Transpennine Rail Group	Ev 63
9	Warrington Borough Council	Ev 66
10	First	Ev 71
11	Yorkshire and the Humber Transport Activists' Roundtable (YHTAR)	Ev 75
12	Westcoast Rail 250	Ev 77
13	Friends of the Settle-Carlisle Line	Ev 80
14	The North West Business Leadership Team	Ev 81
15	Fright on Rail	Ev 83
16	Railfuture	Ev 85
17	Passengers in the North East	Ev 88
18	Institute for Transport Studies, University of Leeds	Ev 90
19	Greater Manchester Passenger Transport Authority and Executive	Ev 92
20	Lancashire County Council	Ev 95
21	North East Institute of Logistics and Transport	Ev 99
22	Cumbria County Council	Ev 102
23	Association of Community-Rail Partnerships (ACoRP)	Ev 105
24	Friends of the Earth	Ev 109
25	North West Regional Assembly	Ev 114
26	Passenger Transport Executive Group	Ev 120
27	Arriva	Ev 126
28	David Wragg, Council for the Protection of Rural England	Ev 130
29	Campaign for a North-East Assembly	Ev 131
30	COASTLINERS	Ev 133
31	English Welsh and Scottish Railway (EWS)	Ev 136
32	Campaign for Yorkshire	Ev 140
33	Rail Passengers Committee, North Western England	Ev 142
34	Railtrack plc (in Railway Administration)	Ev 147
35	Great North Eastern Railways (GNER)	Ev 149
36	Jim Bamford Esq	Ev 154
37	Virgin Trains	Ev 157
38	RMT	Ev 161
39	Council for the Protection of Rural England (North East Regional Group)	Ev 164
40	Greater Manchester Branch Institute of Logistics and Transport	Ev 166
41	Strategic Rail Authority (SRA)	Ev 170
42	Merseytravel	Ev 177

43	Rail Passengers Committee, North Eastern England	Ev 181
44	Department for Transport	Ev 184
45	Wigan Council	Ev 188
46	Settle-Carlisle Railway Business Liaison Group	Ev 190
47	Northumberland County Council	Ev 192
34A	Supplementary note by Railtrack plc	Ev 193
35A	Supplementary note by GNER	Ev 196
41A	Supplementary note by Strategic Rail Authority (SRA)	Ev 197

Reports from the Transport Committee since 2002

Session 2002–03

First Special Report	Government and Office of Fair Trading Responses to the Seventeenth Report of the Transport, Local Government and the Regions Committee, The Bus Industry	HC 97
First Report	Urban Charging Schemes	HC 390-I
Second Report	Transport Committee: Annual Report 2002	HC 410
Third Report	Jam Tomorrow?: The Multi Modal Study Investment Plans	HC 38-I

Session 2001–02

First Special Report	Government Response to the First Special Report of the Transport, Local Government and the Regions Committee of Session 2001–02, The Attendance of a Minister from HM Treasury before the Transport, Local Government and the Regions Committee	HC 1241
Second Special Report	Government Response to the Fifth Report of the Transport, Local Government and the Regions Committee of Session 2001-02, European Transport White Paper	HC 1285
Third Special Report	Government Response to the Eighteenth Report of the Transport, Local Government and the Regions Committee of Session 2001-02, National Air Traffic Services' Finances	HC 1305