

Transport Committee

Oral evidence: [Work of the Secretary of State for Transport, HC 163](#)

Wednesday 19 October 2022

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Members present: Huw Merriman (Chair); Mr Ben Bradshaw; Ruth Cadbury; Robert Langan; Chris Loder; Karl McCartney; Grahame Morris; Gavin Newlands; Greg Smith; Christian Wakeford.

Questions 257–421

Witnesses

I: Rt Hon Anne-Marie Trevelyan MP, Secretary of State for Transport; Dame Bernadette Kelly DCB, Permanent Secretary, Department for Transport; and Gareth Davies CB, Permanent Secretary, Department for Transport.



Examination of witnesses

Witnesses: Rt Hon Anne-Marie Trevelyan MP, Dame Bernadette Kelly DCB and Gareth Davies CB.

Q257 **Chair:** This is the Transport Select Committee's evidence session with the new Secretary of State for Transport. I ask our witnesses to introduce themselves for the record, please.

Anne-Marie Trevelyan: I am Anne-Marie Trevelyan. As you say, I am the new Secretary of State for Transport. I have brought with me my two permanent secretaries to assist me, in case you have some very difficult questions which I am not yet fully on top of.

Chair: I am sure that won't occur. Would they like to introduce themselves for the record?

Dame Bernadette Kelly: Good morning, Chair. I am Bernadette Kelly. I am the old permanent secretary at the Department for Transport.

Gareth Davies: I am Gareth Davies. I guess I am the new permanent secretary at the Department for Transport.

Chair: Dame Bernadette, are you moving on?

Dame Bernadette Kelly: No, not unless you have some news for me. I am the first permanent secretary and head of department. Gareth is the second permanent secretary.

Chair: Got you. Also congratulations. I don't think you were Dame Bernadette the last time you appeared before us.

Dame Bernadette Kelly: I don't think I was, no; thank you.

Q258 **Chair:** Our congratulations to you, and congratulations, Secretary of State, and welcome as well.

We have a lot to get through. We intend to go through modes of transport and policy issues. I will start with priorities and portfolios. What will be your three key immediate priorities within the Department?

Anne-Marie Trevelyan: Thank you, Chair. If I may, I will set out how we have slightly reconfigured the Department. We have four Ministers and me now. I have tried to focus modally, with the overarching message to the whole Department and the team that there are two priorities in fact—growth and green—and that I want everybody to be looking at every piece of work that we are doing and every area with those two lenses, to the point that if they are not helping drive those two critical agendas we should be asking ourselves if they are at the top of our priority list.

Under Kevin Foster's rail portfolio, for instance, we have brought together everything that is rail. Where we had HS2 sitting separately, because obviously it had a whole life of its own as it started to come together, it is



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now very much in full build and is going to need to be part of the whole rail system. I have brought the whole of rail under Kevin's auspices to ensure that we are thinking holistically, and indeed how we maximise both the growth that it will help the whole country to see and make sure that we harness the incredible work that the teams in HS2 are doing in developing technologies as they do this incredible piece of engineering at multiple levels.

Baroness Vere has returned to oversight of aviation, for which she is a deep specialist having been there before, and active travel, which is of particular interest to her.

Katherine Fletcher is looking across the roads brief, a really important piece of work because, of course, the Prime Minister has asked us, through the growth plan, to accelerate over 100 projects, the vast majority of which are roads. I want to have an absolute focus and laser eye on making sure that we can push all of those projects forward at the pace we need to.

Lucy Frazer is overseeing everything that is the future of transport—all of those technologies—and, importantly, freight so that those connecting pieces work as well as they can together.

I have taken personal oversight of maritime. Those of you who know me will know that it was my view, and has been for a while, that across Government I felt that we have not given the level of not only investment but time and expertise across Whitehall to the importance of maritime. Of course, DFT holds the maritime security responsibilities. I want to make sure not only that in DFT we are maximising the resource, and indeed the world leadership that we should be giving on that, but that we help Whitehall to embed the value and the resilience of maritime knowledge and skills.

Across the piece, that is now the team. The key message for everyone is to look at everything we are doing through the growth and green lenses, and assure ourselves that that is how we are spending the taxpayers' pound.

Q259 Chair: In terms of the theme growth and green, you said that there are certain things that do not fit within that agenda and therefore you do not prioritise those, so I guess it is a bit like scraping the barnacles off the boat. Are there any obvious areas where you think, "Actually, that doesn't really feed into that agenda and therefore we don't focus on that right now, although we might have been doing so before"?

Anne-Marie Trevelyan: Honestly, I think it is too early to say. I have set the Department that challenge, to ensure that we are thinking well, and also thinking about how we use investment funds. We have allocated funding. Could we be encouraging the private sector to do some of that investment work? It does not need to be the Department. Should there be closer collaboration than we have had before? It is making sure that



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we maximise our taxpayers' money and that, in the growth projects that we are doing, we are working with all the stakeholders who will both have part of the output but also, potentially, part of the benefit. It is really challenging across the piece to ensure that we are thinking in that way.

Honestly, a few weeks in, I would not give you a list yet, but I think there are some areas where we can really push and open out opportunities and think about where Government have to hold the pen and the cost envelope. We can encourage that wider participation. Indeed, where there isn't market failure because, particularly in the decarbonisation space, things are moving more quickly, industry is moving quickly. Investment has turned green in a way that has surprised us all over the last two years. I think that has been hugely led by the work Alok Sharma has done as president of COP. There is more investment out there looking to support this sort of decarbonisation agenda. We can support and assist. We need to provide the regulation possibly more quickly than we have been to enable private investment to pick up and develop that.

We have a lot of those in our portfolios. A lot of them belong to us; 27% of all our emissions sit under my responsibility to try to get rid of. There is a lot of opportunity, and that is an area that we are all very focused on, to make sure that we can make best use of the very substantial budget that DFT has in the most effective way.

Q260 **Chair:** Would we expect a shift in culture in terms of, "We must look to see if this is a space that the private sector can fulfil rather than it falling to the public sector?" We can take rail as an example where, over recent years, it has become a bit more tilted towards the public sector doing it. Are you going to challenge that ethos?

Anne-Marie Trevelyan: It exists at Crossrail. The Elizabeth line has been put together through a really sophisticated model through Crossrail. It is not new to the Department. The costs we have had to incur to sustain rail, being the most expensive, and all our motor transport through covid have meant that the balance has been shifted. We want to get back to normal, ensuring that we are finding the right tools to get people back on to our various modes of mass transit, and thinking about how, as we invest and build the next generation, we make sure that we maximise private investment.

Yes, in that sense it is a challenge. It is not a shock to the Department. They have done it before and it is something we look at, but we are encouraging more relationships that way so that we can think about some of these major projects, where there is clear value to the private sector in the long term and to industry. We can ensure that we are working alongside them and that the taxpayer is not the only one investing.

Q261 **Chair:** You reference that you are one Minister down.

Anne-Marie Trevelyan: We have four great Ministers. That's good.



Q262 **Chair:** Indeed. It is all about getting more out of less. One of your Ministers shares her role as Minister for Women. Are you concerned that you have enough bandwidth and capacity? It is obviously a huge Department with a huge amount of spending. Even with one extra Minister, we heard complaints previously, "Oh, there's only one Minister for aviation and maritime." I know that is different now, but they have a lot to do.

Anne-Marie Trevelyan: Yes, there is a lot to do. I have every confidence that Katherine Fletcher is capable of doing both. She looks across the piece and obviously therefore has the diversity brief and issues for the DFT as well which helps cohere that portfolio position.

When I was at International Trade, Mike Freer, my Exports Minister, was also part of the equalities team. We found that worked well and it actually added value to the Department as a whole to have a Minister who looked out. I think we have a great team, and, particularly with Kevin Foster holding the rail brief holistically, it makes for a rationalisation that I am comfortable will work well.

Q263 **Chair:** This Committee is not really the best placed to talk about diversity, as you can see. In a way, we are a good example of the problem. We are all male, despite the fact that application is open to all.

Transport has a diversity problem that we exemplify. Do you think having the Women's Minister inside Transport will also change the diversity emphasis within the Transport Department and the sector as well?

Anne-Marie Trevelyan: I hope it will continue to drive that. There is a lot of work within the sector. If you look at the HS2 teams and the work they are doing with their apprentices, it is nearly 50:50 in terms of those coming through. The breadth of skills that is required across transport, the construction of transport and the development of new ideas and technologies does not only require strength and the ability to carry rails. There is a much broader set of skillsets. There is much more to do. Yes, if one of you should decide to change Committees, we shall absolutely encourage ladies to come and take you all on. Absolutely.

The challenge is an interesting one. I think I am the third or fourth female Secretary of State in Transport. I am not novel, but four out of five of us are women. Kevin is our token man, bless him. He does it very well. That is quite interesting. Perhaps you should ask the permanent secretary whether that feels different, whether that gives a different flavour. It is an interesting question. I don't know. He is a very good token man and he does a cracking job.

Q264 **Chair:** You have now teed Dame Bernadette up.

Anne-Marie Trevelyan: Bernadette, what does it feel like?

Dame Bernadette Kelly: It is unusual to have so many women in our ministerial team, and that is great. Hopefully, it sends a strong signal to



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the sector that the most senior people they will be talking to in Government are going to be principally women, except if they are in the rail sector, in which case, obviously, they will be talking to Kevin Foster.

Within the Department, Ministers over a period of time and I and senior colleagues have worked really hard with the sector on the whole question of improving diversity. I think the sector is massively seized of the fact that it needs to be more diverse. I know that if you talk to pretty much any senior leaders in the rail, aviation or maritime sectors they will see that this is a massive challenge for them as they look to build their future pipelines and their leaders of the future.

There is a lot of good work that the sector is doing. There is a lot of progress that needs to happen on gender and other diversity. I am sure that having a female Secretary of State and a largely female ministerial team will add further impetus to that.

Q265 **Chair:** Perhaps I could move on to transport legislation. I will hand over to Karl as well. When your predecessor came before us a few months back, he was talking about the transport Bill that would be brought forward in the autumn. Are we likely to see a transport Bill in the current Session of Parliament?

Anne-Marie Trevelyan: A big transport Bill, no. The challenges of things like the energy legislation we have to bring in, and various others, have meant that we have lost the opportunity to have that in this third Session. What we are continuing to pitch for will be what I would call a narrow Bill around future transport technologies and legislation around things like e-scooters. There is quite a broad mix of regulatory change that we need to bring in. That goes to my point about being able to help the private sector to get on and invest in those areas. That is what we are working on with No. 10 at the moment.

The bigger piece around rail transformation, in particular, we will need to look at in the fourth Session. At the moment, we are looking at whether actually across the whole piece for transport there are a number of parts of it that do not require primary legislation and how we can intelligently use the time we have until we get into the second half of next year to start to implement the areas of transformation that we can do. It is very much one of Kevin's key areas of focus to deconstruct the whole and think about where we can push on and give industry the confidence and the support of the DFT's direction of travel, even if we cannot complete the whole overall primary legislative envelope in the next six months.

Q266 **Chair:** Just to summarise, we are unlikely to have any transport Bill in this Session.

Anne-Marie Trevelyan: Hopefully, some small piece of transport—

Q267 **Chair:** You think there might be a smaller one.

Anne-Marie Trevelyan: We hope so. We are pitching.



Q268 **Chair:** I won't roam across the brief, but as we are talking about legislation—we are going to talk separately about GBR—we have had various assurances previously; for example, on pavement parking, yes, there will be legislation, and where legislation is needed for getting more charge points for zero emission vehicles it will be key, as well as more powers for the Civil Aviation Authority to protect passengers. Are we likely to see those in your slimmed-down Bill?

Anne-Marie Trevelyan: Exactly. Those are the sort of specific things that we are pitching to have in a narrow, new—whatever the name is. Have we come up with a name we are pitching it under? I don't think so.

Gareth Davies: Not yet, no.

Anne-Marie Trevelyan: I think of it as a new transport regulations investment Bill, which would be a series of very specific areas of policy, exactly to your point. Just so that everyone knows this, pavement parking is a particular bugbear of mine, and indeed issues around e-scooters and bikes and shared pavement space are something I have personally always been very focused on. That will be at the heart of what we do.

Chair: We have a report from some years back where we made recommendations that you previously welcomed. You will find plenty of support with this Committee.

Q269 **Mr Bradshaw:** Secretary of State, could you give a little bit more of an explanation as to why the Bill has been squeezed out? We have already legislated for the energy stuff. Is it because of the U-turn that they have had to do and the time that is going to take up legislating for? What squeeze do you add from the legislative programme?

Anne-Marie Trevelyan: No. There is a whole series of things when you are prioritising, and indeed knowing it is not only the Commons but the Lords, which has a huge schedule as well, we must make sure that it can flow through. That is why, rather than having a big Bill with everything in it, we know that we can make progress on some of the rail transformation stuff without that. If we can have a smaller Bill, we have a chance of getting that squeezed in before May.

Q270 **Karl McCartney:** Secretary of State, you have just let us know that the transport Bill has been canned. Maybe you might have some spare capacity in the Department potentially, as the Prime Minister mentioned yesterday, for all EU-retained law to be gone by the end of 2023. Your Department is responsible for 424 pieces of retained EU law. How do you plan to amend, repeal or replace that before 31 December 2023?

Anne-Marie Trevelyan: It is a huge piece of work for the Department. As you say, we have 430; 55 of our total cohort have been repealed now, so there are only 375 left to go. That is good.



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We have an interesting mix. Quite a lot of it is international related and some is domestic. Quite a lot of it is around safety. We are not getting rid of it; we just need to put it into our own space, making sure that we think about where in the mix of existing law we want to maximise and give ourselves freedoms and where we do not. There are international safety regulations and so on.

There is a lot of work to do. I do not know if you want to add anything, Bernadette. You are managing it.

Q271 **Karl McCartney:** There certainly is. Before we come to either of your permanent secretaries, do you have the specialists in the Department to deal with that sort of work? I do not know who has scientific instruments in their portfolio now, but the Department does not have an unblemished record when it comes to scientific instruments.

Anne-Marie Trevelyan: Lucy Frazer is overseeing the SI portfolio, if that is the right way to describe SIs. As a KC and former Law Officer, she is extremely precise and careful. I am very confident that she will provide—

Q272 **Karl McCartney:** You mentioned transport experts, but I am sure she will become one.

Anne-Marie Trevelyan: Indeed she will also be a transport expert. This is a huge piece of work for us. Gareth, do you want to update? We are very focused on the level of work that we have to do to deliver that.

Gareth Davies: What is absolutely clear to me is that it is not just a copy and paste exercise. As the Secretary of State said, 55 have already been repealed. We are now going through to understand which ones we feel will be broadly brought into UK law. Those are essentially the ones from international bodies: ICAO, the international aviation body, and the International Maritime Organisation. There are things around safety and standards that have been set globally, which originally came into UK law via the EU. Broadly, subject to Ministers' views, we expect those to be brought in. It is things like regulations on carrying dangerous goods through international freight and trade. You would expect those, on the whole, to be brought in.

Even that, though, is not just a simple copy and paste exercise because of the way in which EU law differs from UK law. You have to work your way through the references in the case. We are certainly scaling up, particularly on the legal and analytical side. You make a very good point around the scientific advice we will need on this. We recently appointed a new chief scientific adviser to the Department. She is able to draw on our scientific advisory council, which has over 20 distinguished members from a range of universities around the country. That is the way in which we will make sure that we can embed scientific advice.

In terms of where the real opportunities come from this, it is essentially where EU law has been designed that is more fitting for the 27 than it is



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for us. The port services directive is probably the best example of that. It was essentially designed around transparency and financial reporting requirements. It was designed in the EU for a ports market that is, essentially, state owned. Ours obviously is predominantly private sector and very competitive, so the requirements, frankly, are not fit for purpose.

The other big opportunity, I think, is around new technology. I am thinking how we can be nimble and agile around bringing in technology. The parallel with the vaccines is the obvious one, but if you look at the work around self-driving vehicles, and eVTOL, the new technology on aviation, if we can move at speed and adapt the regulations that we currently have on retained law for the UK, I think that is where the growth benefits will really come through.

Q273 Karl McCartney: That is all great to hear, but I am going to drag you back to the Department's record on scientific instruments. Unfortunately, I think your colleagues who are involved in dealing with those have been under pressure and are going to continue to be under pressure. I would hate to see them having even more pressure put on them by the new priorities that are perhaps being set for the Department. What are you and the Secretary of State going to do about ensuring that you have the right people able to do the right job in what is, effectively, a very short timescale?

Gareth Davies: We are scaling up for this. We need to move significant numbers of people to work on this priority in the Department. It is not just going to be added to people's day job. I have appointed a new project director to lead this piece of work, building from what we did through the Brexit process and working with our modal teams to ensure that they have the right capacity. There are large numbers of people so I would not like you to be left with the impression that we are just adding this on at the margins. A core part of the Department's work and a big priority for us will be making sure that we have the capacity. I think your point around capability is exactly right.

Karl McCartney: Thank you. I am pleased to hear that, and I am sure they are too.

Chair: Let's go into the sectors and the policy areas. It would be fitting, given that it is within your portfolio, Secretary of State, to start with maritime.

Q274 Gavin Newlands: I think we are all intrigued to see that you kept the maritime brief for yourself. It is such a huge sector, something like £115 billion or £116 billion in turnover for the UK each year.

Having spoken to a few folk in the sector, they are pleased but mildly anxious. You have already touched on the fact that you are a Minister down. First, are you going to have the time to focus on maritime or are you going to get bogged down? Secondly, what are your priorities for maritime, looking forward?



Anne-Marie Trevelyan: I am very confident, as is Lucy Frazer. A lot of the work in the maritime space is looking at the decarbonisation challenges internationally. That is where I am very strongly of the view that the UK needs to continue to give the leadership that we showed at ICAO this year. That was instrumental in ensuring that we landed for the first time in aviation a net zero target by 2050 globally. We need to do the same in maritime. I think it requires very strong political leadership to achieve that. Lucy Frazer will work alongside me, as my deputy in some of the more technical areas. There is a constant stream of technical issues that need sorting out. We are double-hatted in that sense.

On my priorities, as I say, one of them is really helping to ensure that we keep driving the leadership around decarbonisation. That, of course, is a huge opportunity for the UK. DFT is really the place in which we have both the responsibility and the opportunity to help to deliver that. When I put together the net zero strategy in BEIS last year, nearly a third, or 27%, of the emissions, were from DFT and indeed maritime and aviation. They were not included because at that point the world had not found a way to ask each country to take up any part of those two.

DFT has an enormous responsibility in this space. Driving forward the technological changes, working alongside industry and private investment, and working with our international colleagues to find collaborative solutions is important. Maritime, by definition, is a point-to-point activity. We have to work with colleagues around the world to drive those changes. The US, Singapore and the Netherlands in particular are very keen to work with us on things like green shipping corridors. It is more than talking about it; it is the practicalities, ensuring that BEIS is driving forward in the regulatory space to build the production of new supplies.

It is a real cross-Whitehall team effort. I genuinely believe it needs senior political leadership to keep pushing it on and to make sure that we are giving industry what they need. They want to go at pace. I think there is a really strong incentive in the maritime space for some of the very large players to make that leap. They reinvest every 30 years. In order to meet a 2050 challenge, their next turn of the wheel in terms of investment needs to be a big step change into cleaner fuels, and different ways of business autonomy. There is a whole series of opportunities that I genuinely believe the UK is already world leading on, and we need to maintain that. That is why I want to maintain a very strong focus from me directly.

Q275 **Gavin Newlands:** Thank you. I will come back to decarbonisation in a second. The Committee has not long finished an inquiry on Maritime 2050. We have seen some of that attempted leadership at IMO and across the water as well. Given your renewed emphasis, might we see a refresh on the Government's Maritime 2050?

Anne-Marie Trevelyan: That is a fair challenge. I am not sure if it is a refresh. I think it demonstrates how we are moving it forward, but I take



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the challenge. I will ponder how we might answer that question and demonstrate the progress that we are making.

Q276 Gavin Newlands: Maritime UK has been the umbrella body. I presume that you have seen its programme for Government that was published. It obviously has many asks, as all sectors do.

Anne-Marie Trevelyan: I would be disappointed in Mr Murray if he did not give me a long list of requests.

Q277 Gavin Newlands: Exactly; and asks of the Government. Obviously, a large part of this is on the challenges that you have spoken of yourself in terms of decarbonisation and pro-green investment. One of the things he spoke about was the Government trying to enable that pro-green investment. It is something we touched on with the previous ministerial team as well. How are you going to set about enabling that private investment? I will come on to public investment.

Anne-Marie Trevelyan: Around that space, I have had a chance to catch up with Maritime UK already, which was great. They were at our party conference, and I was able to spend some time with them there, and indeed to hear their list of asks, which was very helpful.

The Government have two roles. One is obviously to support with matched funding to drive new sectoral investments. We have seen that particularly on the supply side and the production side of new fuels coming from BEIS. I think DFT will have responsibility there.

The private sector is both responsible for driving the change—because it takes the profits—and keen to really drive the change at pace. Those who get the early mover advantages will see economic benefit from them, as well as of course meeting their decarbonisation targets and ensuring that their customers know that they can rely on those transport methods to meet their scope 2 and scope 3 questions to their own consumers. It is really important to do that.

Our responsibility in large part, honestly, is creating the regulatory environment for them to be able to do that at pace. That is where there is huge support. Our ports are very keen to find the solutions. There is a whole load of chicken and egg in the whole net zero strategy world. We have to move forward iteratively together without the taxpayer picking up all the bill.

Q278 Gavin Newlands: You mentioned ports. I have an example on shore power and that area, where other countries in the EU are putting more money into the sector than we are. We all heard the Chancellor over the weekend. There is not a lot of money about. How concerned should the sector be about potential capital investment or assistance with decarbonisation, moving forward?

Anne-Marie Trevelyan: The sector should continue to be very confident that the UK remains, and will remain, world leading in driving this



forward. I was down in Portsmouth on Saturday talking to the team there on shore power and thinking about the practical logistics of creating new sources of power. They are as much municipal issues as practical ones, for Brittany Ferries, in their case, who are keen to bring in their electric ferries in 2024. This is a cross-government challenge to achieve at many levels. It is not only about money. Without a doubt, a lot of it is logistical challenge on which we need to drive forward, but the UK and this Government will continue to be absolutely at the forefront of that, working alongside industry to try to think through the right logical steps. That is one of the challenges with the massive industrial revolution that is net zero. Everyone—Government and private sector—makes investments all the time. It is a matter of making sure that we make the right ones in the right order to maximise the private sector's investments.

Q279 Gavin Newlands: A net zero revolution at a time when we do not really have any money is not exactly ideal.

Anne-Marie Trevelyan: But that is my point, Gavin. Businesses and Governments invest all the time. We have a £96 million investment programme. These investments are happening. What we need to ensure is that we think in a long-term way and understand, alongside the private sector, what they need first so that they can then make their next investment choice. There is lots of money on an ongoing basis because capital investment is a continuum.

Q280 Gavin Newlands: I am conscious of time, so my last point is this. Last week at Transport questions I asked about the P&O situation on people. There are two points. First, where are you with the nine-point plan? There was a lot of heat and noise at the time, but there doesn't seem to have been a lot delivered. I appreciate that a lot of that is BEIS work as well, but a lot of it is cross-departmental. Where are you with the nine-point plan? Would you consider a people and skills workstream as part of the clean maritime plan, as asked for by the trade unions?

Anne-Marie Trevelyan: I will ask Gareth in a minute, if I may, to give you an update on where we are on the nine-point plan. A lot of progress has been made, but it is something where we have very much taken the bull by the horns and tried to shake down and get to how we can change that landscape permanently for the better.

More widely, skills are absolutely critical not only in the transport sector, but where a huge amount of the UK's construction spend goes every year. How we help build the pipeline of the multiplicity of skills that the construction and technical sectors need is critically important. Both with my former Ministry of Defence procurement and indeed my International Trade hat on, those are areas where I have seen again and again that we need a much stronger and joined-up skills focus as a country. It is a piece of work that we have set running to look at that.

One of the things that I found fascinating through covid was the Oak Academy, which was set up to provide virtual support to schools. It was a



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really brilliant piece of work by the Department for Education. If all of your French teachers suddenly had covid, there was still an online French teacher that you could access and so on, across every subject. It was very clever.

We are thinking about how we can harness that through our FE colleges right through to students doing PhDs in incredibly clever areas, and how we can join that up across the country. For instance, we can look at the fantastic companies that BAE Systems have set up, both in Govan and in Barrow, to feed their own long-term pipeline for those maritime shipbuilding projects. But what if you live in Coventry or Berwick and you want to work in that? How can you start your career when your local FE college is nowhere near those?

In the modern world, how is it that we are not joining this up in a national virtual academy system, so that wherever the young people are—whether they want to be nuclear physicists in the future working at Hinkley Point or Sizewell C, or they want to be part of the maritime sector or port sector—how are we joining together the opportunity for young people to develop their skills? That is a piece of work that I have asked the Department to think about. I think that the DFT holds many of the opportunities to feed to those skills. We need a much greater national endeavour between our very extensive education establishments and the private sector. They need them, and we need to work together to make sure that they can get them.

Q281 Gavin Newlands: On the P&O nine-point plan, I think the trade unions are concerned that they might be getting pushed out of some of the cross-sector work because of ongoing disputes with other elements of the DFT.

Gareth Davies: That is certainly not the concern from my side. The main part of the nine-point plan was obviously the Seafarers' Wages Bill, which is in the House of Lords and progressing well. In parallel with that, we have written to the ports to ask them to ensure that workers on ferries are getting paid the equivalent of the national minimum wage.

You will remember that right at the start of this crisis the previous Secretary of State asked the Maritime and Coastguard Agency to review the safety of P&O vessels. They detained three vessels, Spirit of Britain, Pride of Kent and European Causeway. They have now completed all their investigations of RoPax vessels that call at UK ports. HMRC has completed its inquiry.

There are areas which are still to be completed and which are work in progress at the moment. BEIS is coming forward shortly with a consultation on fire and rehire proposals. We will be shortly launching the seafarers' charter, obviously in conjunction with industry. It will look particularly at rules around overtime and benefits, and that has to be done in partnership with industry.



We also reviewed all Government contracts with P&O and cancelled the one ongoing contract. More broadly, because this is a global industry, the key thing we are looking to do is grow the UK flag. The more vessels that are on the UK flag, the more control and minimum standards we can ensure for workers on UK vessels. That is the heart of it, and that is what we have charged the Maritime and Coastguard Agency with.

Q282 Gavin Newlands: Have any ships come over to the UK flag since—

Gareth Davies: I don't have the numbers. I can certainly come back to you with the numbers. I don't have the numbers in front of me but certainly, over the last few years, the numbers on the flag have been increasing. There is a challenge with flagging, in that a race to the bottom is a risk in the industry. Some of the consolidation we have seen in the maritime industry, probably over the last five years, and the domination of the big three shipping lines is starting to change that dynamic. We are starting to see greater focus on quality rather than just on the minimum cost of carrying goods.

Gavin Newlands: As usual, time defeats us.

Chair: Indeed. I am conscious of time because it is marching on, and we have barely scratched the surface of the brief. Can we have shorter questions and answers?

On Maritime 2050, we held an inquiry and visited the Port of Southampton. We will be sending you our recommendations. It was great to meet so many people in the industry.

Let's move to Great British Railways and rail operations.

Q283 Chris Loder: Good morning, Secretary of State. Good morning, Gareth and Bernadette; it is good to see you both again, and good to see you for the first time, Secretary of State. First of all, is it your intention to fully implement the plan for rail?

Anne-Marie Trevelyan: As I said, because we cannot bring in this big, all-encompassing piece of legislation immediately, we are going to take the opportunity to break it down into its constituent parts and work out how we can drive forward some of that modernisation.

Q284 Chris Loder: I appreciate that you have to phase it, but is it your intention to fully implement that plan?

Anne-Marie Trevelyan: What I want to make sure we do is fully implement the modernisation so that we have something that is genuinely fit for purpose. One of the challenges for Kevin in bringing the whole rail brief together, so that every component part is there, is to make sure that we have thought about it holistically, and indeed for the long term. As we have said many times, the passenger and the freight provider is at the heart of the service that we want to provide.

We have the opportunity—sadly in a way because there is a pause, but it is the nature of legislation—to make sure that we are looking at that



holistically and that with what we bring forward we have the customer at the heart of the whole framework. In doing that, we want to try to break down what we can do more quickly.

Q285 **Chris Loder:** Would it be fair to say that it would be wrong for us to expect the full plan to be implemented by early 2024, as I think an earlier Rail Minister suggested to the Committee?

Anne-Marie Trevelyan: That is probably a fair call, realistically.

Dame Bernadette Kelly: In the absence of legislation to the timetable that we had been planning, it is very difficult for us to implement all of the changes necessary that require legislation to establish GBR.

Q286 **Chris Loder:** That is very helpful. So that I am clear, in order to fully implement the plan, you would require a transport Bill and legislation to do it. Can you tell us what you can deliver without the legislative—

Chair: With reference to that, Chris had an excellent exchange with somebody in the Department, who took over when the last Rail Minister was with us. He was explaining how you could actually deliver all of this creatively without the need for legislation. Perhaps you could wrap that in, Dame Bernadette.

Dame Bernadette Kelly: I will try. Unfortunately, I was not there for that exchange, and I do not have it in front of me. I may just resend it in some parts. Clearly, there are key elements of structural change and the establishment of GBR that require legislation, including for example the formal transfer of franchising powers from the Government, from the DFT, to another entity. There clearly are some things that we cannot fully do structurally without legislation and without those powers.

Q287 **Chris Loder:** That is fine. So that we are all clear, what you are basically saying is that you will need legislation to change the franchising powers from the DFT to GBR.

Dame Bernadette Kelly: I believe that is one of the critical things.

Q288 **Chris Loder:** I think you're right as well. It is just to be clear.

Dame Bernadette Kelly: My recollection is that the legislation for GBR is relatively short. It is not very long, complicated legislation, but there is a lot of change we can achieve without legislation.

Q289 **Chris Loder:** Thank you. Secretary of State, you said we may have the opportunity for a much reduced transport Bill. Does that not take priority over some of the other things that you said in order to enable the real change in the railways that many of us believe we need?

Anne-Marie Trevelyan: I agree with you completely on that one. What we want to do is to ensure that we can do that, so that we have it fully legislated for in the way that we need to in the next Session. In effectively being asked to shunt ourselves six months' backwards, we are not losing our ability to do that, but just moving it back a bit. What we



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have been very clear on, as I say, is that with the small but important regulatory things, which are literally stopping huge amounts of private investment that can go at pace in lots of new sectors, we want to get them out as quickly as possible. In prioritising, I have said that it is more urgent to move that than other sectors.

Q290 Chris Loder: Let's assume for one moment that the necessary legislation is not able to go through in this Session in order to achieve that. In effect, unless the Department drastically changes its approach, we are therefore basically fixing the passenger rail industry, with the exception of open access, into a public sector specified operation.

What are your thoughts and views at this time, assuming the GBR legislation does not go through, as to what we will do with the passenger railway? In my opinion, and in my experience of my local operator—my colleague is going to ask you about Avanti West Coast later—this is just not working. It is turning into a complete and utter disaster on lots of fronts.

I don't think it is acceptable for that to continue without real change. Therefore, if we are in the situation where we do not have the legislative enabler, how will you approach the passenger operation of railways in this country? Will it be more of what we have today, or will it be something quite different and exciting?

Anne-Marie Trevelyan: I see this as only a few months' delay to being able to bring in the new overarching guiding mind, as we refer to it—the new holder of the keys. In the meantime, to your point about Avanti, we are applying a great deal of pressure, both support and demands, on them to improve the service provision. We are all agreed that the way the franchising model works at the moment is not delivering what it needs to, but we need to think closely, and obviously the challenge Kevin Foster has is to make sure that we do that. The hiatus will be short rather than long in moving to the new—

Q291 Chris Loder: At the moment we have no firm date in sight in this current Parliament as to whether or not—

Anne-Marie Trevelyan: In this Session, no. It will be in the next Session.

Q292 Chris Loder: Hopefully, post the King's Speech.

Anne-Marie Trevelyan: Yes.

Q293 Chris Loder: That is good news; thank you. In the meantime, will you consider any revolutionary approaches to operation of the railways? Passenger timetables are specified by the Department for Transport. They are contracted and agreed by the Department for Transport. You, therefore, in effect, block capacity by your specification.

Will you consider removing some of that specification to enable more open access across our entire network, which would encourage much



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greater private sector involvement in the railways? Clearly, at the moment, it appears to me that we are stuck in a rut where the taxpayer takes the full risk of the costs of the railway. Would you support that great idea to liberate the railways?

Anne-Marie Trevelyan: I love that—liberation of the railways. I will absolutely take that away and sit down with Kevin and discuss it. I am not yet fully conversant in the minutiae of those issues. That is where we are trying to get to. It is to make sure that we have both the passengers and the ability to allow the private sector to maximise the use of our infrastructure in a way that is passenger and consumer-focused.

Q294 **Chris Loder:** There is a real risk today that the Department ends up maintaining direct control over the railway through its specification. In my opinion, the Department is very relaxed on enforcing journey times. For example, what should be for me, from London Waterloo to my home station of Sherborne, two hours and 12 minutes is now two hours, 47 minutes. That is a combination of some short-term infrastructure issues and the train operator just pumping in buffer times to the timetable that the DFT accepts. It is therefore taking up capacity and preventing others from being part of the railway.

Anne-Marie Trevelyan: I take the challenge.

Q295 **Chris Loder:** That is wonderful. You will take that away, and maybe you could come back to us and let us know.

Anne-Marie Trevelyan: I might send you Kevin, who will be the deep expert by then.

Q296 **Chris Loder:** I am sure some of us will be very pleased to meet you and talk about that further as well.

Dame Bernadette Kelly: Would you like me to say more about where we are on our train operations and contracting?

Chris Loder: I would be delighted.

Chair: I think we would, actually.

Dame Bernadette Kelly: You make a number of points about capacity, open access and performance and reliability. There is no question but that performance and reliability are not where we would like them to be at the moment.

I do not agree with your assessment that the Department is consciously, through its National Rail contracts, blocking capacity.

Chris Loder: Could I therefore ask you—

Dame Bernadette Kelly: What we seek to do is to obviously optimise capacity on the railway—

Chris Loder: Could I therefore ask you—



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Dame Bernadette Kelly: —for passengers and in the interests of passengers.

Chris Loder: Wonderful. Could you therefore tell me—

Chair: Can we just have one conversation at a time, please. It all gets picked up.

Q297 **Chris Loder:** Could I therefore ask you why the Department is not rigorously managing those journey times?

Dame Bernadette Kelly: As you know, what we do now is under our National Rail contracts, which are intended to be an interim commercial measure. Under the newly transformed railway in the longer term, we will have our passenger service contracts which we hope will free up, to some degree, the private sector innovation and input that we want to see in the railway. We recognise, since covid in particular, that we do not see that because of the huge impacts on revenues and passenger demand that covid has had. We now need to try to recover the system.

What we have on the National Rail contracts is a series of contracts with clear performance metrics for operators, which we then expect to hold them to.

Q298 **Chris Loder:** But they are not being managed.

Dame Bernadette Kelly: I dispute that, but I would need to give you more details.

Q299 **Chris Loder:** I would be delighted to meet you and—

Dame Bernadette Kelly: We will take that away.

Anne-Marie Trevelyan: Chair, we will take that away. We take the challenge.

Chair: You can write to us on that point. We need to move forward.

Q300 **Chris Loder:** I want to come back to you briefly if I may, Bernadette, on a couple of those points. Open access operators are reporting up to 140% return of their pre-covid market, yet many franchised operators are almost incentivised not to grow the market because of the very nature of the contract. It is one of the reasons why I was asking a bit earlier about your approach and what you do.

One of the things that concerns me a lot is this. The last time we had the Rail Minister here with one of your colleagues, Conrad Bailey, I asked him very specifically about the future of passenger operating contracts. I asked him very specifically about one part of the network that I was aware was going to be contracted imminently.

He told this Committee that he had no idea about it. The Minister was not aware. Yet, within a matter of weeks a new contract was fully signed up. That gives me a bit of concern that the Department is not rigorously ensuring taxpayer value for money; reference a number of the other



concerns about tightly managing them.

It relates to my earlier point to the Secretary of State that if we know open access operators, through their innovation and so on, are able to recover much more speedily because they are free to use their innovation and have access on the network, surely it would be better for us—both as a country and for the travelling passenger—to have that flexibility and innovation.

Dame Bernadette Kelly: I think you are making quite a number of points. You are obviously a great advocate of open access operators and—

Q301 **Chris Loder:** Not necessarily. I have never worked for one. I have always worked for the franchised industry, but I have experienced—

Chair: Chris, can we hear the response to your question?

Dame Bernadette Kelly: What we are still working through, and have been working through actually on any legislative timetable, is the precise role that open access operators should have in a reformed railway. We recognise that they potentially have an important part to play in ensuring that passenger needs are met.

As for current contracted operators, it is true that we are holding them firmly on costs. What we want to be able to transition to is a recovered market in which all operators are incentivised to grow revenue and meet passenger demands in the most effective ways possible.

Q302 **Chris Loder:** Is that not part of the problem though? You are holding them to costs. That is the real fundamental difficulty.

Dame Bernadette Kelly: We have, but we also have to recognise that through the pandemic it has cost many billions of taxpayers' pounds in order to keep railway services running. It is important that, when we think about the railway going forward, the Government will want to consider both how we deliver for passengers and how we get a great deal for taxpayers.

Q303 **Chris Loder:** But you are specifying lower yielding routes and then frustrating the growth of high yielding routes.

Dame Bernadette Kelly: I think it is a question of how we transition to a market that has recovered from the covid pandemic. We are still not there in terms of demand recovery and the performance levels we want to see. There are still challenges, but there is a plan under the rail reform plan—the plan for rail—to move to that more flexible, adaptive and passenger-facing railway.

Q304 **Chris Loder:** I would like to move to wider railway matters. Do we have any news as to when the rail network enhancements plan will be forthcoming?



Dame Bernadette Kelly: I am conscious that this is the question of the outstanding publication of the rail network enhancements plan. I cannot give you a firm date on that. Clearly, one of the things we need to do at the moment within the Department is to recognise the growth plan and the challenges of acceleration that we are looking at across our portfolio of road and rail investments and think about how we ensure that is reflected in the RNEP.

I hope that we are setting out in many areas of the RNEP some plans for how we are proceeding with those projects. I assure you that, with the challenge of acceleration now ringing in our ears in the Department, we are looking hard at how we can make sure those rail investments are being delivered.

Q305 **Chris Loder:** Secretary of State, I want to talk about industrial action next, if I may. Could you tell us how your approach will differ from your predecessor in managing some of these difficult industrial relations matters?

Anne-Marie Trevelyan: There are a number of things. Obviously, the negotiations are not with the DFT. They are between Network Rail, the operators and the unions. I have been very clear; in fact on the second day that I arrived, I asked all union leaders who had a stake in fresh policies to come in and see me for a cup of tea. They have now all been in to see me for a cup of tea. It has been really useful for me to understand where they are coming from and what the important issues are for them and for their union members. They are an important part of the whole. I am a respecter and supporter of unions that do a good job for their members, but not to the detriment of those they serve.

We have had some very frank and interesting conversations. My door continues to be open. I have said to them that I hope to meet them on a regular basis to hear how things are from their perspective. I need all of them to work together with the financial envelope and modernisation requirements that we need to deliver for the railways and which Network Rail and the train operators are negotiating and need to deliver for us. There is a financial envelope within which they can work, but the reality is—as the permanent secretary says—that we spent £16 billion through covid on keeping it all moving. That is real taxpayers' money that has to be funded. Everyone needs to help us to grow the revenues again, and that involves the railways running as many of them as we can get on the lines—to your earlier point.

I have been very clear that I expect everyone to get round the table and to find a way through which works. It is always interesting when you sit down with an open book and have a "Tell me what's bothering you" conversation. One of the areas of real concern is the issue of ticket offices. I have very clearly committed to do a full review of all ticket offices. I do not expect that every single one will be closed as a result. I give the assurance that I am personally going to oversee that and think very clearly about what the right solution is for how we use that resource



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at stations. When only 12% of tickets are bought at a ticket office, we cannot say that we must forever have banks of 20 ticket offices in every major area. This is not logical or rational.

One of the areas that has concerned me is around the accessibility for all agenda. We must make sure that the workers at stations are able, as part of their normal workload, to be either behind the glass sorting out tickets—the issue of complex ticketing may well require that support—or fundamentally supporting people on the platform and ensuring that that wider piece works.

At my own little station, it is a one man or one lady team, depending on which shift, and they do everything. They are the everyman and woman. They do the whole shebang for the station. To lose them would be genuinely impossible. To suggest that that ticket office should close fails to understand the dynamic of a very small rural station. Birmingham New Street is a whole different beast. Every one of them needs to be looked at properly, so I have committed to do a full consultation and reach a conclusion on what I expect to be the next generation of using those station workers most effectively. I hope that has given some reassurance that, although I am seriously demanding modernisation, I also understand the realities.

Q306 **Chris Loder:** When will that consultation commence?

Anne-Marie Trevelyan: We are just trying to get the ducks in a row. I will offer you “imminently”. That is probably the best I can give you.

Q307 **Chris Loder:** In respect of the proposed legislation on minimum service levels, you foresee that coming forward very shortly, I assume. Is that correct?

Anne-Marie Trevelyan: We’ll go with “imminently” for that as well.

Q308 **Chris Loder:** Do you think that is likely to trigger further industrial difficulty?

Anne-Marie Trevelyan: The unions are all still running mandates within which they can call industrial action. We saw some more dates being presented for November. I do not think we are at the end of the industrial action, but I hope that, as the various people around the tables get together, they will start to see a way forward that is realistic for all.

The reality is that the energy price guarantee has assured everyone, not just those who work for the railways, of protection from some of the largest energy spikes. All of us understand the economics of not allowing wage inflation to run away with us because that has a very long tail to it. The reality is that within the rail sector we have to maintain wage restraint because we have already spent £16 billion just keeping it going. The Treasury, notwithstanding the present crisis, is not going to sustain that sort of figure. It has to be a realistic pay landing.



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I hope that that will be possible in the months ahead. I will be disappointed if we continue to see that sort of industrial action. Indeed bringing in the MSL legislation will be a tool available if there is a total inability to move forward between the various parties, to ensure, as it says on the tin, minimum service levels, so that the passenger, the customer, can continue to get about. It is not acceptable to stop children getting to education or people getting to work. All of those areas draining the economy of its potential because of the need for rail to move people around is not acceptable.

We need to find a compromise and a balanced solution which everyone can live with so that we can get on with exactly the point on growing that revenue again. The more revenue you grow by people getting back on the train, the more money there is for pay rises in the future.

Chair: Members, I am very conscious of the time. We need to have short questions. We will interrupt the Secretary of State if we believe that the answers are longer than you need. Over to Christian Wakeford, continuing on rail operations.

Q309 Christian Wakeford: Thank you, Chair, and Secretary of State. I am going to ask predominantly about Avanti and the west coast main line. Given its recent extremely poor performance of reduced timetable and increased cancellations, including very short notice cancellations, with the number of trains themselves running behind schedule and late, even the former Parliamentary Under-Secretary described it as completely unacceptable. Baroness Vere called it terrible. Why was the contract renewed?

Anne-Marie Trevelyan: I agree with all those descriptions. It is incumbent on everyone to make progress. The short-term extension will allow the Avanti side of the business to roll out its recovery plan and to start to deliver a reliable timetable again.

Interestingly, at the weekend two colleagues told me they were able to book tickets for the first time in a long time. Looking forward, that gave me some small hope. The restoration of services has begun on the morning shift. They are now operating seven trains between Manchester and London, and six trains between Birmingham and London. That is their pre-covid offer, so we are watching very closely to see that that is delivered.

From December, they have committed that there will be 264 daily train services on weekdays, which is a big step up. There are about 180 at the moment. It is a big shift. There will be more than the 245 services a day offered, which was before the cessation of drivers volunteering to work rest days.

They have a plan. We are giving them six months to get it into action. It is a short window. There was an opportunity to make it longer, and I said no. It seemed to me that six months was plenty of time either to prove



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they can run it, or indeed to no longer be allowed to run it. I am genuinely hopeful that they are getting to grips with it and moving forward. That is where we are. We are literally monitoring it on a weekly basis.

Q310 Christian Wakeford: As a regular west coast main line user, unfortunately I do not share your hope but I wish to be proven wrong on this one.

Given the extension, can you confirm whether or not the management fee that Avanti was handed by taxpayers was lowered before the contract extension? If not, why not?

Anne-Marie Trevelyan: That is a technical question.

Dame Bernadette Kelly: I am sure that there is a management fee still associated with the extension. Normally, how these management fees are constructed is that there is an underlying fee and then a performance-related fee element. I'm afraid I cannot give you the details. I think we regularly update the Committee on exact payment of these management fees and I will be happy to do so at the appropriate time. Yes, there will be a degree of fee associated with it.

Q311 Christian Wakeford: If the management fee wasn't reduced for the extension, does it not sound like rewarding failure?

Dame Bernadette Kelly: I think what will happen is that the performance element will obviously be impacted by performance. That is what it is there for. That is how we will be treating the management fee.

Q312 Christian Wakeford: Considering the performance, or general lack of performance, do you think they should be getting any of the performance level? I would argue that most people who have had to use the west coast main line would say that they should not.

Dame Bernadette Kelly: I certainly think there should be a penalty for poor performance, and our management fees are constructed to ensure that happens. Equally, it would be quite difficult to have a private sector operator running services for absolutely no cost at all.

We have been bearing down hard on management fees in general. The absolute maximum payable for 2021-22 to all operators is £142 million. That is less than the £154 million paid in the previous year. What we are trying to do, and are doing, is taking a very rigorous view of what an acceptable management fee is. We will do that in this case as well, but I cannot give you the details of the precise amount because I don't have that information to hand.

Q313 Christian Wakeford: Considering when the contract renewal came up, several of the performance categories would be operational performance; customer experience; and acting as a good and efficient operator. Would you say that they have met any of those criteria?



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Dame Bernadette Kelly: Again, we assess the performance against the contractual arrangements. That will certainly be happening. We will absolutely be holding Avanti West Coast to their contractual commitments. We will only reward the level of performance that those permit.

Q314 **Christian Wakeford:** I am trying to be brief, Chair. My final question on Avanti is, what are they proposing to use with regard to force majeure as part of their contract?

Dame Bernadette Kelly: There is a discussion going on with the Department on the question of force majeure and what the appropriate arrangements are. I cannot say more than that at this stage. It is an unresolved issue under discussion.

Q315 **Christian Wakeford:** I would argue that the issues that they are facing are not outside their control. No other operator seems to be struggling as much as they do. I think they may be trying to stretch the term force majeure to the extreme.

Dame Bernadette Kelly: We know that there has been a quite surprising and significant reduction in the number of drivers who are prepared to do rest-day working. That clearly has impacted on performance.

Q316 **Chair:** We also seem to know that they had fewer drivers to start with, and therefore they were more susceptible.

Dame Bernadette Kelly: That is also correct and, I think, a key part of the performance recovery plan. It is something we have absolutely been focusing on and holding them to account for. The ORR has been looking very closely at what they are doing to make sure that their driver numbers are where they should be to sustain acceptable performance. That is a very fair point.

Christian Wakeford: Their recovery plan needs a recovery, Chair.

Chair: Thank you, Christian. We are going to talk about major rail projects and then we will move off rail because there are other modes of transport.

Q317 **Robert Largan:** Good morning to the witnesses. Congratulations on your new role, Secretary of State. I will start with Northern Powerhouse Rail. As a Committee, we asked for a new direction in our recent report. That has been indicated by the Government. Could you detail for us the work that the Department is doing to revise the plans for Northern Powerhouse Rail? What sort of timescale can we expect?

Anne-Marie Trevelyan: The Prime Minister's renewed commitment to that is very strong and very welcome as far as I am concerned, speaking as a northern MP. It is one that Kevin Foster is now charged with looking at, again thinking holistically. That is the challenge I have set to make sure that, as we make these investments, we do them in the most



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effective way. The map is there. We all understand it. What I want to make sure we do is get that in the right order—to my earlier point—so that we can maximise the value and indeed the communities that will benefit most quickly from those new investments, and ensure that industry knows what we are doing so that there is a clear, long-term investment picture.

We are in the throes of that, trying to make sure that we map out the best answer to the Prime Minister's question so that we can move that forwards. I suggest that in a few weeks Kevin Foster may be in a good place to be able to give you a clearer picture.

Q318 **Robert Largan:** Does the revision work also include looking at the Prime Minister's commitment to a new station at Bradford?

Anne-Marie Trevelyan: We are looking at the piece across the whole so that, as I say, we can make sure we are making best use of both the taxpayers' pound and indeed, to my earlier point, how we can work alongside the private sector as well.

Q319 **Robert Largan:** Moving to the other very large project, HS2, are the Government looking again at doing the eastern leg all the way to Leeds? Is that also being looked at as part of this?

Anne-Marie Trevelyan: We are very focused at the moment on making sure that the spades in the ground are going at pace and that we are keeping them firmly to cost. It is a huge project, as you all know, probably almost better than I do by now; we have 300 sites and nearly 28,000 people busy right now building. This is massive. It is critically important that we get it done on cost and on schedule. The focus there is enormous. As we have proven on 2A and 2B, we continue to look holistically. One of the challenges I have set is that we must make sure that we are genuinely thinking holistically. While it is a high-speed line, it is part of the whole train system. Again, that is the challenge: Minister Foster has to make sure both that we invest at pace and that we maximise the opportunities to open up right across the north to get the greatest GVA.

Q320 **Robert Largan:** To be clear, the Government remain completely committed to HS2, and HS2 going 2A, 2B all the way to Manchester.

Anne-Marie Trevelyan: Yes.

Q321 **Robert Largan:** Very good. It was reported this morning that inflation has crept up to over 10%. Given the inflationary pressures and a 15% cost efficiency target for the TransPennine route upgrade, will Network Rail be able to meet those targets, given the inflationary pressures and the rising costs?

Anne-Marie Trevelyan: I will ask Bernadette to give you more detail because this is very much at the top of her in-tray. We are acutely conscious of it. HS2 has its own relationship with the Treasury in terms of



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inflation, but there are absolutely inflationary pressures which we can see. We are working at pace alongside the Treasury to work out how we do that. Alongside that cost management piece, and continuing on my point, we can honestly say that we are doing all we can on the cost side, and the Treasury's responsibility is supporting the inflation challenge. As ever, this is a shared endeavour, but we want to make sure that we do it right. Thanks to the energy price guarantee, we will see a deflationary pressure coming from the energy costs in the months ahead, but obviously this is a spike that is having an impact now.

Bernadette, do you want to pick up on some of the detail because you are very closely observing this?

Dame Bernadette Kelly: Indeed. I have spent lots of time thinking about this. Obviously, we are facing inflationary pressures across our capital investment portfolio, just as every part of the economy is facing inflationary pressures. We need to think about how to manage those.

As the Secretary of State has already alluded to, HS2 is priced in 2019 prices, in large part in recognition of the fact that for a project of that scale and duration you cannot anticipate, and therefore cost in, inflationary pressures. We are working through that and what it means in practice now with the Treasury.

We are having the same conversations about the Network Rail portfolio and the National Highways portfolio, again as you would expect. Network Rail and National Highways do not have the same arrangements. We are having conversations with them about portfolio management and the steps they can take to reduce costs and respond to the inflationary pressures.

This is unquestionably very difficult. It is something we will need to reflect on and consider in terms of the Government's mid-term fiscal plan, while at the same time meeting the challenge that the Government have clearly set to drive forward the delivery of these projects in the interests of growing our economy. It is quite a challenging balancing act. We are going to have to work that through in close dialogue with our delivery partners and the Treasury over the weeks and months ahead.

Robert Largan: In the interests of time, Chair, back to you.

Chair: Another couple of members want to come in: Grahame Morris and Greg Smith.

Q322 **Grahame Morris:** Good morning, Secretary of State and colleagues, and congratulations, Secretary of State. With both of us representing a north-east constituency, you might guess the nature of my question. It follows on from the Prime Minister's statement about promising to deliver Northern Powerhouse Rail in full, and then the Chancellor earlier this week not exactly doing a U-turn but slightly equivocating. I want to press you to make a commitment that in the negotiations that are going to take place on the forthcoming fiscal event you are going to lobby as hard as



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you can to ensure there will be no cuts to Northern Powerhouse Rail.

The Chair has very kindly written to Kevin Foster indicating our specific concerns about the Leamside line. You, as much as anyone, Secretary of State, know about the issues because we have been on a train that broke down, haven't we?

Anne-Marie Trevelyan: We have.

Q323 **Grahame Morris:** There is a need to improve the infrastructure between Leeds and Newcastle. The Committee has visited Bradford, Sheffield and Leeds, and seen how important it is, if we are to deliver levelling up in the integrated rail plan, that that investment takes place "at pace", to use your term.

Anne-Marie Trevelyan: I can give the absolute assurance that I will work as hard as I can. It is very clear to everybody that they have a north-east MP as their Secretary of State and that my commitment to ensuring that, while investment everywhere is important, bringing up the long-term lack of investment in many parts of the north is something that I am absolutely focused on.

Chair: An ally in the north-east.

Q324 **Greg Smith:** Good morning, Secretary of State, Dame Bernadette and Gareth. Notwithstanding the answer you gave Rob Langan a couple of moments ago, it is no surprise I am sure to colleagues on the Committee—just as it would have been no surprise to your predecessor—where I am going to go on this around High Speed 2.

The 2019 prices were roughly £136 billion for the project as described in the integrated rail plan. The Office for National Statistics costed today's prices for the project, probably before the 10.1% inflation was announced, at £155.52 billion. Data that was collected and that I believe you, Dame Bernadette, gave the Public Accounts Committee suggests that approximately £15 billion has been spent to date.

If the land was sold that has already been taken, according to Lord Berkeley in the other place, it would recoup £8 billion, which would produce a taxpayer saving of £147 billion were the project not to proceed. That would be £147 billion that could either go some way to relieving the covid debt that the Chancellor is rightly focused on paying down and/or delivering some of the smaller projects and packages, such as the station at Bradford that the Prime Minister has committed to. Why are we still carrying on with HS2?

Anne-Marie Trevelyan: In a moment I will allow Bernadette to pick you up on the specific numbers. HS2 is the largest infrastructure project in Europe. It is going to provide us with a level of capacity. Many of us have often said that the name does not give justification for what it is doing, which is not just building incredible, modern, high-speed rail, but providing huge new capacity for our rail systems. That is really important, and for that reason we want to continue to invest in it and roll it out.



It is also going to be built over a long period of time. It is not an annual figure. There is a very long period of time over which that figure is spent. I absolutely agree with you that, as the build is now making good progress, we can see what land use we have acquired and start to think about where we can release land that we know we will not need. That is an important issue. It is something that government is often too slow to do across infrastructure projects. It is something that I have asked the team to look at to make sure we are very cognisant of that investment flow so that we are not holding funds where we do not need to.

Without a doubt, this investment and how it links and brings inward investment around it is hugely important, both to the growth agenda and indeed to growing opportunities. The transformation and the inward investment already coming into Birmingham are genuinely phenomenal. That is because of that new train coming in.

We should not underestimate. We will need to continue to assess and reassess just how good that multiplier effect of building a new train is. It is the same point exactly, as you say, as renewing a railway. The Northumberland line is opening up travel to work routes, which, for relatively small cost, will genuinely afford the opportunity for those areas to regenerate and see inward investment. This is "Build it and they will come". They do come; investment comes and it offers huge opportunities.

That is why HS2 is absolutely critical to help with capacity and to draw inward investment into those northern cities, so that we are growing and there are real reasons to invest in the north and it does not always come back to the south-east.

Q325 Greg Smith: I know that you want to bring Dame Bernadette in, but my point was that, no matter what way we look at it, there is a very large bill to the taxpayer, coupled with the circumstances we find ourselves in, largely from global pressures. The Chancellor's statement the other day clearly means that there is a squeeze coming.

Therefore, in order to deliver the smaller-scale projects that really improve people's daily lives, such as the Northumberland line and perhaps East-West Rail in my own constituency, although I equally have 19 miles of HS2 which makes—

Chair: Greg, I am going to have to ask you to put the question please, before Ben explodes. We need to put questions, not preambles, not statements and not opinions. Questions.

Greg Smith: Is there not a risk, with a massive public sector spending squeeze, that HS2 takes all the money and none of the other projects that have been highlighted happen?

Anne-Marie Trevelyan: No, I do not think that is right. That is where we balance our budget, and a proportion of our capital budget is HS2, year in, year out. A proportion is around those small, if you like, quick-



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win deliverables that can shift the dial in a small community. We do both, and we can continue to do both. There was very strong oversight of the HS2 spend. As I say, I think your point around land is an important one which we are looking at. I do not know if Bernadette wants to pick up on those real—

Chair: Very briefly, because we have spent so much time on rail.

Dame Bernadette Kelly: I would like to put on record that I do not recognise at all the figures that you quote around the cost of HS2, Mr Smith. We have a funding envelope for HS2 phase 1 of just under £45 billion. There is an upper range cost estimate for 2A of just over £7 billion, and an upper range cost estimate for the western leg of around £19 billion. I think they get us to about half the figure you are quoting, so I am genuinely puzzled as to where those numbers come from. They do not correlate to my understanding or knowledge of the figures.

In terms of what has been spent to date, Kevin Foster and Ministers will be publishing a six-monthly update to Parliament, as you know, and, as is our usual fashion, very soon. I think they are contracted and our spend to date is significantly above the £15 billion you quote as well.

The costs of HS2 were part of the integrated rail plan. In that sense, they are costed into the capital plans that the Government have set out. I observe that in other comments from your colleagues they are seeking additions to that plan, but they are costed into the £96 billion.

Greg Smith: I am happy to write with where I sourced all of that to you on another date.

Dame Bernadette Kelly: I am aware that there are lots of interesting figures around.

Q326 **Greg Smith:** This is my last question. You mentioned in your opening remarks at the start of this session that your priorities are growth and green. Looking at the green bit, does that mean East-West Rail is now not going to launch with entirely diesel rolling stock as is currently the plan?

Anne-Marie Trevelyan: We have just started to have a look at East-West Rail. It has been a busy few weeks. That is now moving its way to the top of the in-tray. I want to make sure that we are thinking exactly to the point about how we take these opportunities to drive forward decarbonisation around rail alongside the resilience that we want for our rail rolling stock systems. That is very much at the top of my agenda and I will come back to you, if I may.

Greg Smith: Thank you.

Q327 **Chair:** We are all guilty of what I just mentioned, but if we can just not do it we will get through this faster. To summarise the evidence on GBR, the plan remains the chosen plan in terms of the Williams review.



Anne-Marie Trevelyan: Yes.

Q328 **Chair:** It is a generalisation. There will not be time to legislate with GBR in mind before May. There are still plans to legislate for GBR after May. In the meantime, without legislation, you will look at ways around the legislation, if I can call it that. A good example is that franchising powers remain with the Secretary of State, but perhaps the GBR team make the recommendation and then you can carry out the formal part.

Anne-Marie Trevelyan: For instance, yes.

Q329 **Chair:** Yes. Good. The last bit on GBR is that there have been concerns that they end up being the retailer of all the tickets and squeeze out the private sector. We have heard from Trainline. Are you going to look at narrowing the role of GBR so that they do not eat into the private sector space?

Anne-Marie Trevelyan: I am going to be making sure that it is absolutely focused on the customer, and that what we are trying to build is a railway system and delivery of all those services that is focused on the customer. I believe, as you know, that the private sector has a great deal to offer in order to deliver that. We need to find the right frameworks to support all of that.

Chair: Super. Other modes of transport are available.

Anne-Marie Trevelyan: Indeed they are.

Chair: Let's go to Ben Bradshaw on some of those.

Q330 **Mr Bradshaw:** In the absence of a transport Bill, and given that we are now lagging years behind every other developed country, when can we hope for the regulation of e-scooters?

Anne-Marie Trevelyan: That is at the top of my list for the narrower future of transport Bill.

Q331 **Mr Bradshaw:** In this Session.

Anne-Marie Trevelyan: Yes. That is what we are pitching for. We hope, as ever, with PBL; you know as well as I do that you have to keep pushing it.

Q332 **Mr Bradshaw:** The same question on the menace of pavement parking, which again has been around for years.

Anne-Marie Trevelyan: Again, as I said earlier, that is an area which I consider is really important to get right. As we see more of things like e-scooters, we must make sure that multimodal crossover with pavements is something we get right. That is what I have asked the team to think about in a streamlined Bill, and what we should be bringing forward to ensure that we can really demonstrate clearly through legislation how that is managed.

Q333 **Mr Bradshaw:** When can we expect the Government to respond to the



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consultation which closed two years ago?

Anne-Marie Trevelyan: Interesting. Noted.

Q334 **Chair:** They keep extending the consultation.

Anne-Marie Trevelyan: Do they? Okay, I will pick that up.

Dame Bernadette Kelly: We will respond.

Q335 **Mr Bradshaw:** On pavement parking it closed two years ago.

Anne-Marie Trevelyan: I will pick that up. Thank you, Ben.

Q336 **Mr Bradshaw:** It closed in November 2020. We have been waiting for two years for your Department to respond to this consultation, which is a matter of major public interest for all of our constituents.

Anne-Marie Trevelyan: I will pick that up. Maybe it is just as well it has not, because I have very strong views on the subject so that is a good thing.

Q337 **Mr Bradshaw:** Excellent. Strong views in favour of doing something or not?

Anne-Marie Trevelyan: Yes, doing something.

Q338 **Chair:** That was the way the consultation was tilted. The Government were looking to do this. It almost feels like everything is there apart from the legislation.

Anne-Marie Trevelyan: We will dig it out of said cupboard.

Q339 **Mr Bradshaw:** Green and growth are your priorities. Nothing will deliver more for you than active travel on this agenda in your Department, let me suggest. We were pleased to hear you last week confirm that you are still committed to £3.8 billion, but things have been changing very quickly since then, as you know, with the new Chancellor. Is that still a commitment?

Anne-Marie Trevelyan: The commitment to active travel is absolutely clear, as Lucy set out in the questions at Transport Orals as to both where we have spent and how we continue to do that. It is an interesting piece—

Q340 **Mr Bradshaw:** Does the £3.8 billion still stand?

Anne-Marie Trevelyan: Yes.

Q341 **Mr Bradshaw:** You are not offering any of that up to the Chancellor.

Anne-Marie Trevelyan: No. What we need to understand, of course, is that a lot of it comes in lots of different ways. One of the challenges as we support the Chancellor in his challenge is to understand where that is being delivered most quickly. A lot of it is not only in DFT, if that makes sense. We want to make sure that we are doing that as coherently as



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possible so that we can continue to drive forward with what is a very clear and, as you say, very important agenda.

Q342 **Mr Bradshaw:** Quite a lot of it is being delivered at local government level. There are currently 1,500 proposals waiting to go ahead and waiting for your Department to approve. When are you going to approve the fourth active travel fund?

Anne-Marie Trevelyan: They have completed the first assessment. I am just looking at the stats here for you. Gareth is the expert on this. There are 35 local authorities ranked levels 2 and 3 and 31 at level 1—the starting level, if you like. We are now able to start to make progress with that. I cannot give you a date yet, but it is very much at the heart of what we are doing. Do you have anything else to say, Gareth?

Gareth Davies: There is not much more to add on that. We are looking to come forward as soon as possible.

Q343 **Mr Bradshaw:** What are you waiting for?

Gareth Davies: We have to go through the assessment and there is still a valuation to be done.

Q344 **Mr Bradshaw:** By the Treasury?

Gareth Davies: By us.

Q345 **Ruth Cadbury:** That is tranche 4.

Mr Bradshaw: It is tranche 4. It was signed off by the previous Secretary of State.

Gareth Davies: Obviously, there is a new Government and we need to take this through Ministers.

Q346 **Mr Bradshaw:** I beg your pardon.

Gareth Davies: It is a new Government, so we need to take this through Ministers.

Q347 **Mr Bradshaw:** It's not a new Government. You have been in government for 12 years. This was signed off by a previous Secretary of State. These projects are ready to go. You say you want green growth. Just get on with it, may I suggest, before the Chancellor claws the money back?

Anne-Marie Trevelyan: Noted. We will be working through and making sure of that under Baroness Vere's careful oversight. You know that she is a great champion of all of this. We will make progress as quickly as we can.

Q348 **Mr Bradshaw:** Your colleague Simon Clarke has threatened to withdraw statutory consultee status from Active Travel England. Is that something you will stop him doing?



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Anne-Marie Trevelyan: We are in discussions at the moment on a wide range of potential planning changes, simplifications and streamlinings. Nothing has been decided yet.

Q349 **Mr Bradshaw:** Do you acknowledge that, if your priorities are green growth, removing statutory consultee status from Active Travel England for major planning applications would be an absolute disaster?

Anne-Marie Trevelyan: As I say, we are in discussions at the moment with DLUHC and others about how we can most effectively deliver the agenda we want to deliver by looking at the streamlining of the planning system, where it can be done; not by taking away any authority or reducing standards but by streamlining so that we can go at a greater pace to deliver these projects. Therefore, to do that we want to make sure that the right voices are in the system.

Chair: We had Chris Boardman before us. It is fair to say that we were very impressed. He is a doer, and he will end up doing green projects better than has been done before. Perhaps Simon Clarke could meet him. I think he would have a change of heart. That is all I would say.

Let's move on to the buses with Chris Loder.

Q350 **Chris Loder:** I will probably be shorter this time. I understand that pandemic-related bus funding support was recently extended until the end of March, if I have that correct.

Anne-Marie Trevelyan: Yes.

Q351 **Chris Loder:** What does that purchase from the bus operators? What percentage of service? Is it basically a straightforward carryover of previous service levels? Do we know if it has reduced or changed?

Anne-Marie Trevelyan: That is a technical question that I cannot answer.

Dame Bernadette Kelly: Obviously, what it is doing is seeking to shore up service levels and ensure that local authorities and bus operators do not have to reduce those at local level.

My recollection—I will double-check that this is correct—is that there is a floor of about 80% of service levels which it is seeking to protect, if I can use that language. There may be variable outcomes in different places because obviously it applies at local level. It is clearly seeking to maintain service levels at a good level.

Q352 **Chris Loder:** Is that the same amount of money as previously, or is it different?

Dame Bernadette Kelly: I think we will have used a similar process for calculation as we used for previous emergency funding, but again I will need to confirm that. It is the same sort of calculation we are going through.



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Q353 **Chris Loder:** What we are keen to understand is whether it is the same amount of money as previously, but actually buying fewer services.

Dame Bernadette Kelly: Obviously, over this period of emergency funding we are also seeing revenues recovering. Indeed, demand outside London for buses is probably the mode of transport that has recovered most strongly. It is running at over 90% now.

What we are trying to do, I guess, from the point of view of emergency funding is ensure that we are enabling local authorities to maintain services at a level that ensures that people can get a good bus service.

Q354 **Chris Loder:** It is very welcome that it has been extended to the end of March, but it is almost just kicking the can down the road a little bit. When Baroness Vere came to see us on 29 June, I asked her about BSIP and round 2 of BSIP, if there was going to be one, in order to help address some of these issues, particularly in rural Britain.

I think it is fair to say that Baroness Vere was quite non-committal. She did not rule it out, but she did not say it was going to happen. Secretary of State, are you able to give us any beacon of hope that very large rural areas such as Buckinghamshire and Dorset might see the BSIP gem come our way?

Anne-Marie Trevelyan: We are absolutely in agreement with you that buses are a particularly critical part of our more rural areas. We are looking very closely at all of that. We will get back to you as soon as we can.

Chris Loder: I want to impress on you the importance of it.

Anne-Marie Trevelyan: I hear you on that. I am in Northumberland and I understand it well.

Chris Loder: We have virtually no buses and people are unable to get to basic facilities. We would appreciate it very much indeed.

Anne-Marie Trevelyan: Noted.

Q355 **Chris Loder:** My final question is on the £2 fare cap. It is wonderful for urban areas, where there is a bus, but it is not so great in rural areas where there isn't even a bus service for people to benefit from. Can you tell us a little bit about how that success is going to be measured, and what you expect will happen at the end of the three-month trial period?

Anne-Marie Trevelyan: It is a cost of living measure to try to assist. Every Department was asked to put forward small or large things that could help with the day-to-day cost of living of our constituents. That was one that, before my time, my predecessor was able to put forward to support cost of living challenges.

I don't dispute that it is of use to those who are able to access a bus, but it will have enormous impact and support for many people. Therefore, we hope it will also encourage more use of the bus service. It is Bernadette's



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point about getting those numbers back up. It is not a be-all and end-all, but it is a support through the winter. If we see it continuing to be of support, we will consider whether we want to do something else.

Q356 **Chris Loder:** Before I hand over, I would like to feed back to you that, from previous questions of your predecessor and other Ministers, it continues to be very difficult to get objective feedback on BSIP submissions. We have asked for that several times.

Dame Bernadette Kelly: Feedback from the Department on the quality of submissions?

Chris Loder: Yes.

Dame Bernadette Kelly: Let me look into that and see whether we can provide more.

Q357 **Christian Wakeford:** Secretary of State, you mentioned the cost of living crisis and how a £2 fare cap goes a long way to help with that. I assume that it will be a red line for you when it comes to the Chancellor moving forward.

Anne-Marie Trevelyan: Yes, that would not be something we would want to give up easily because we know it will have a direct supportive impact on many people who would otherwise have really difficult travel costs.

Q358 **Christian Wakeford:** Can we commit to that £2 cap staying in place?

Anne-Marie Trevelyan: I would be fighting very hard for that to be anywhere near the cuts, yes, if there need to be any.

Chair: Over the last couple of years we have focused on the performance of the DVLA, particularly their hitting of their targets and their promises to us. We have kept on to ensure that they meet those promises. I hand over to Karl McCartney on this front.

Q359 **Karl McCartney:** Thank you for the introduction, Chair. Secretary of State, the DVLA have continued to underperform and not achieve their own targets that they have set, notably and specifically the backlog of medical applications. As the Chair has perhaps hinted, the senior management team have underwhelmed us in their repeated appearances in front of this Committee. Have any of those targets been met so far?

Anne-Marie Trevelyan: Bernadette can update you on the numbers. I am not fully on top of them. In terms of normal activities, they are back to normal. Something like 83% of transactions are done online and that process is now back to where it needs to be. The areas around complex driver medical applications is still absolutely not where it needs to be. Interestingly, having had—

Q360 **Karl McCartney:** I am going to interrupt you and say that in reputation, time and money there has been quite a considerable cost. What steps in your new role as Secretary of State do you plan to take to improve the



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performance of DVLA? Does that include maybe thanking the current senior management team for their best endeavours and bringing in some competent leaders who will make sure that things get better, and perhaps might even work on site?

Anne-Marie Trevelyan: As I say, the progress and return to normal pre-covid figures is right, except around driver medical complexity, and that is something I am looking at specifically to see if we can find the right model to deliver what we need to do for those who need those outputs much more quickly than they have them now. A lot of the pressures at the moment have come from the fact that they probably want to work with other stakeholders to get the information, and we need to be thinking about how we solve that particular loop and whether we need to bring in resource in a different way.

I am hoping to go down and visit before too long to get a sense for myself of the dynamics there. What is very interesting about it is that, because most of it is online, it has been a very strong grower of IT apprentices in helping to build new skills, both for DVLA and actually helping the local ecosystem around Swansea to build a next generation of IT specialists. There is a lot of good in there that we want to harness, maximise and continue to grow, and make sure that we are doing that effectively.

Q361 **Karl McCartney:** Secretary of State, I have listened to what you have just answered to questions that I was very specific about. I am very pleased to hear that you will be going down to have a visit, because I think morale is probably pretty low among the 6,000-plus employees there. I am going to ask you very specifically, because you sort of skirted around it, do you believe in regime change?

Anne-Marie Trevelyan: As I say, I am going to go down and visit and understand how we can maximise and solve the areas that continue to be underperforming, find the solutions that we need and then be able to move forward from there. I want us to make sure that DVLA is delivering a top of the range service for everybody. The online service is very good. Our IT systems there are very effective. Now that we are back to normal working practices there, I certainly do not have any problems in my postbag any more. I don't know about you, but I did. I had lots.

Karl McCartney: We all did.

Anne-Marie Trevelyan: But I don't any more, importantly, except around the driver medical area. That is something I really want to focus on to get it right.

Q362 **Chair:** Bernadette, coming back to the figures, for last September for all the paper-based applications there were 1.6 million outstanding. There is always a run rate of 400,000. It has gone down, so great progress has been made, but in our recent attempts to try to get the DVLA to tell us whether they are down to just 400,000 we seemed to be given a different metric. Where is that figure now?



Dame Bernadette Kelly: I will tell you what I can tell you at the moment. If there are some bits I cannot fill in, I will gladly make sure that we provide that. I am not seeking, and I know the DVLA is not seeking, to be anything other than wholly transparent. We recognise the Committee's very close interest in performance.

First of all, digital services were unaffected throughout the pandemic. As we know, it is the paper applications that have been the challenge. We are well aware of that. All paper applications are now being processed according to normal targets. Backlogs have been cleared, with the exception of the driver medical, where the DVLA had hoped to clear the backlog by September. It has not been able to do so.

For clarity, the figures there are that a normal processing case load with no backlog would be around 120,000 cases. At the moment, there are around 200,000 cases, of which 192,000 are live cases where you need information as opposed to its just being an administrative matter. I hope that gives you a sense of the backlog as it exists now in relation to driver medical applications. The DVLA is hoping to have further reduced that so that it can reintroduce its pre-covid processing target, which is 90% of applications dealt with within 90 days, around the end of the year.

I feel that I need to say in defence of the DVLA senior team that they have worked extraordinarily hard. They fully recognise the importance of dealing with these backlogs. A large number of actions have been taken to deal, in particular, with the driver medical issue. Two new customer service centres opened in Birmingham and Swansea. Many new staff have been recruited. Staff are being trained in different ways so that they can deal with more complex and a wider range of medical applications. Simple applications are being triaged more quickly so that people can get their responses and we can get those out of the system.

As you know, there has been a change in the rules to allow a wider range of medical professionals than previously to do the processing.

Chair: Yes, we are aware of that.

Dame Bernadette Kelly: Clearly, we all recognise the pressures on the NHS and the capacity issues there. Those are a factor in ensuring that these driver medical applications can be processed as quickly as possible. Thus far, the take-up of that has been quite low. I know that one of the things DVLA is doing is seeing whether there is more it can do to encourage that flexibility and that rule change to be used.

Q363 **Chair:** You mean the take-up from private providers.

Dame Bernadette Kelly: Take-up from a wider range of private professionals. There is work going on right now to see what more can be done to increase take-up. I guess I just wanted to set out the steps that had been taken, exactly where the DVLA is currently and the actions that are in hand to try to make further progress, recognising that this is a really important issue. It is, and has always been, the most complex and



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difficult part of the DVLA's case load, but a lot of action is in hand to get it into a better place.

Q364 **Karl McCartney:** Thank you for that. It is admirable that you came to the defence of the DVLA. However, I would say as well as specifics there are also some systemic problems there. One of them—I asked you this when I worked in the Department—is about staffing levels of attendance in offices during covid. Specifically at the DVLA, leadership was sadly lacking.

If the senior management team were due to get performance-related pay, do you think in any of the last three years the senior management team should have received any bonus for the work they did?

Dame Bernadette Kelly: I am not going to speak about individual members of staff—

Q365 **Karl McCartney:** I am not asking you to speak about individual members. I am talking about the senior management team. It is very general.

Dame Bernadette Kelly: What I am saying is that I think the DVLA has had exceptional challenges.

Q366 **Karl McCartney:** Which they failed to meet.

Dame Bernadette Kelly: I think it has had to work very hard to respond to those. To your point about staff working in the office—I think this was discussed the last time I appeared before this Committee—some of the highest attendance rates in the office, certainly of my Department and agencies and indeed of many parts of Government, have been in the DVLA precisely because it is an operational organisation where people have had to be in the office.

Q367 **Karl McCartney:** The frontline staff maybe, but I am asking about the senior management team.

Dame Bernadette Kelly: It has also had to contend, of course, with having covid lockdowns, dealing with all the restrictions associated with that and building a covid-secure workplace at a time when, frankly, no employers knew how to do that. There was some industrial action as well. It has been a very significant set of challenges.

Q368 **Karl McCartney:** My colleagues are really getting quite annoyed with the fact that you are not answering the question. Do you think it is acceptable for somebody who leads an organisation to attend that place of work once in six months? Yes or no?

Dame Bernadette Kelly: I don't know what you are referring to.

Q369 **Karl McCartney:** Just yes or no.

Dame Bernadette Kelly: That would not be acceptable in my Department now because that is not the rule we have in place.



Q370 **Chair:** It was back in covid times.

Dame Bernadette Kelly: There were different rules in place. It would depend, wouldn't it, upon what restrictions were in place? Of course, the Welsh Government's restrictions on working in the office were quite different.

Chair: I think what Mr McCartney is referring to is that we were quite surprised when we found out the last time that the two senior people before us had been into the office, when the staff were expected to go in. We heard your answer there.

Thank you, Karl. It is time to go to international travel and aviation. We will start with Ben Bradshaw and then move to Gavin Newlands.

Q371 **Mr Bradshaw:** The Chair touched on this earlier when he asked about the absence of the transport Bill. It is the issue of the increased powers for the Civil Aviation Authority. Secretary of State, we have heard so many stories of air travellers being denied their legal right to compensation, refunds and everything else. It is absolutely clear to everyone that the Civil Aviation Authority does not have enough power. Is this, like pavement parking and e-scooters, something you are hoping to fit into this pared down mini transport Bill?

Anne-Marie Trevelyan: There are a number of areas around aviation that I would hope we will be able to bring into our as yet unnamed mini transport Bill. Maybe that's its name now.

Q372 **Mr Bradshaw:** Like a mini-Budget.

Anne-Marie Trevelyan: No, probably not. In order to make sure that we use our legislative time to create the right new regulations that drive both passenger-supporting and growth-encouraging activities, I am looking at all of those at the moment. The CAA ones are on my list.

Q373 **Mr Bradshaw:** Do you accept that the CAA powers are not enough at the moment to enforce the rights that consumers have?

Anne-Marie Trevelyan: Obviously, my predecessor set out the charter in the summer. As we think about how we need to use legislation, or indeed where we can do this without, we must make sure we are pushing forwards on the charter commitments. You are exactly right; it has to work well. Gareth, do you want to pick up on that?

Gareth Davies: It is fair to say that the CAA have taken on a lot of additional responsibilities following Brexit. Obviously, they have taken on responsibilities for safety from EASA, the European safety body, along with responsibilities for space regulation. There is a lot more coming into them. We have started a review of the CAA, in the rolling reviews of Government arm's length bodies. That just started last month and should be reporting early in the spring.

There are two issues we saw particularly over the summer with regards to passengers. First, as you say, the rights that they already have under



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UK law were not being enforced properly. We recognise that there is more to do on that. I know that Richard Moriarty, the chief executive, is focused on that. Secondly, around accessibility and passengers with reduced mobility, there were some unacceptable behaviours. There are lots of reasons for that, which we can go into, but certainly we need to tighten the way in which it is enforced with both airports and airlines.

Q374 Mr Bradshaw: As a matter of principle, Secretary of State, would you be opposed to reducing the levels of compensation that passengers currently enjoy for both domestic and inter-European flights when their flights are seriously delayed or cancelled?

Anne-Marie Trevelyan: We need to make sure that the passenger is compensated if there is a problem and, indeed, that those are drivers of best outcomes from the providers of the resource. That is not only there, quite rightly, to underwrite customers' costs if they have made them and they are not receiving what they paid for, but actually as a disincentive to any provider for not trying as hard as they can to deliver the service they are committed to.

Q375 Mr Bradshaw: It is probably just putting this on your radar. It may not be something that you have come across yet in your brief time in the Department. The industry is pushing to have a railway-style compensation system, which in the view of many, including consumer groups and the travelling public, is completely different from air travel. If your flight is cancelled or delayed, you often end up having to pay for a hotel or you are caused huge inconvenience and extra expense. The idea that all you will get back is a fraction of the actual fare, or even the full fare, would not be adequate, would it?

Anne-Marie Trevelyan: I agree with you.

Q376 Mr Bradshaw: Great. There is one other question from me. Are you aware of the big problems currently facing the travel and transport sector with regard to India's scrapping of e-visas for UK nationals? If so, what are you doing about it?

The whole of the rest of Europe and most of the world can still travel to India on an e-visa. The Indian Government have scrapped e-visas uniquely for British people. We do not know why, but the speculation is because they are upset by the comments of your Home Secretary colleague Suella Braverman about Indians overstaying their visas here. It is leading to thousands of people losing a lot of money, holidays being cancelled and airlines cancelling flights. What are you doing to help resolve this issue?

Anne-Marie Trevelyan: I am aware of it. It is very high on my agenda today, as it happens.

Q377 Mr Bradshaw: In what form?

Anne-Marie Trevelyan: I will be discussing it with Cabinet colleagues later in the day.



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Q378 **Mr Bradshaw:** Have you had any contact yourself with the Indian high commissioner?

Anne-Marie Trevelyan: Just last week I met the high commissioner and we discussed a range of issues, of which this is one. I have had a lot of very close relationships with India. Of course, I set up and was leading the India trade talks, so I have some very close and good relationships there. We want to make sure that we continue to build what is an incredible relationship between our countries and that we find ways forward that continue to grow that, not only in terms of people moving around, but as we build long-term preferential trade relationships, together with the trade deals. It is absolutely at the top of my agenda, not only with my old Secretary of State hat on, and I consider it to be very important for our economy, but because the relationship between our families and communities is incredibly deep.

Mr Bradshaw: Indeed. Improved relations with countries like India was supposed to be one of the benefits of Brexit. Actually, we are now suffering worse than our European neighbours in terms of those relations. Thank you, Chair.

Q379 **Gavin Newlands:** We have had quite a high turnover of Aviation Ministers in recent years. I have to say that aviation is one of the aspects of transport that is not devolved, and it is not ideal for me as an MP that the Aviation Minister is now in the House of Lords, no matter how capable Baroness Vere is.

In terms of the delays over the summer, we saw that one of the biggest issues was ground handling. Ultimately, it is the lowest-paid sector in the industry. The industry itself is looking at it. Heathrow is doing a review, and so on. How alive are the Government to this issue and what assistance are they offering?

Anne-Marie Trevelyan: To reassure you, Baroness Vere was, in one of her previous incarnations in the Department, the Aviation Minister. She is extremely committed to, and indeed passionate, about the sector. You have in her an excellent return of her advocacy as the Aviation Minister.

We are very sighted on this. As you say, the industry is looking at solving some of the challenges. Some of them will be technology-driven. Some of them will be wage-driven. It is something I was talking about when I was at ICAO a few weeks ago, talking to some of my international interlocutors about this. It is not just an issue that we have suffered from in the UK. We are trying to find the right way forward and discussing, as I have been with airport chief executives, what the right framework and the right balance might be to ensure that airlines have the ground handlers they need and have the airport interact with those airline operators.

Q380 **Gavin Newlands:** It is something that the Committee may have to come back to at some point, if this continues.

Anne-Marie Trevelyan: We would be happy to do that.



Q381 **Gavin Newlands:** I have some quickfire questions. If you do not have the answers to hand, perhaps you could write to the Committee.

Anne-Marie Trevelyan: Of course.

Q382 **Gavin Newlands:** You recently mentioned the importance of the Emirates flight to Newcastle. The wider north-eastern regional airports face a much tougher time to restore connectivity. What are you going to do to support regional airports such as Newcastle, Glasgow and Doncaster?

Anne-Marie Trevelyan: We continue to work very closely with them. As you know, our aviation industry is basically a privatised industry. We want to ensure that the regulatory framework, obviously alongside the safety frameworks which are absolutely rigorous, is there to support private investment, and that the right level of capacity and opportunity for growth is there as the private sector sees it.

There have been long discussions over many years around how something like air passenger duty is used, and those discussions continue to be of interest. We discuss that with our wider Government colleagues.

Q383 **Gavin Newlands:** There are many jobs at stake at Doncaster, particularly a company that deals with rescue flights. Is there any advance since the answers at Transport questions last week?

Anne-Marie Trevelyan: Three potential investors have come forward. The combined authority is now discussing any propositions with Peel Holdings. We stand ready as a Department with any technical support that they may need. As I have said several times, this is a privately owned airport, and the discussions need to happen. The first offer that was made to underwrite the ongoing losses for a year and to look to find other sources of revenue was discounted by Peel Holdings. Clearly, that was frustrating, but indeed I understand and I know that the team continues to stay in touch with them. Those discussions are ongoing.

I recommend that everyone looks at it. We want to have that gateway growth going on in South Yorkshire, where there are all sorts of exciting opportunities. Peel Holdings is one of the landowners. To your point about the emergency services there, they are working at pace to think about how they would place themselves—they already have a base in Cardiff as well—and how they can move their services around. In the short term, there are issues on which they are working very closely with Peel to resolve.

Q384 **Gavin Newlands:** We can see it with Doncaster, but many regional airports are struggling. Many of them are sitting on piles of debt. For some of them, the retail element of their business is a much higher proportion than, say, Heathrow. They have seen the loss of VAT-free shopping. It would be good if VAT-free shopping came back. It was an element which was dropped by the Chancellor. Arrivals duty free is obviously a Treasury issue. Is that something you would be lobbying for



to assist those regional airports?

Anne-Marie Trevelyan: We lobbied for it to be a thing. In the current financial constraints the Chancellor has to make the decisions he makes in terms of wanting to balance the books in the short term. That is one of the areas that he has identified that he needs to put a pause on for now. We will continue to highlight its value to not only regional airports but all our airports.

Q385 **Gavin Newlands:** On modernisation and sustainable aviation fuel, the Government committed to five plants. How are we getting on with the five plants? Correct me if I am wrong, but I think it was £185 million. Is that still going to be spent and how much of it has been spent to date?

Anne-Marie Trevelyan: I do not have the detailed figures, but we can make sure we send them, unless Gareth has them in his pocket.

Gareth Davies: The £185 million has not been spent yet. That is yet to be announced. The details of the scheme are still under development. The five plants are primarily private sector plants which are progressing, as we would expect, to schedule. This is a big opportunity for the industry. We know the challenge for aviation is to decarbonise. It goes back to what the Secretary of State said at the start about green and growth. It is not just around ensuring that the aviation sector decarbonises. It is actually capturing the industrial benefits for the UK economy, and given our heritage in chemical production you can see the opportunity there for it.

Q386 **Gavin Newlands:** Secretary of State, both you and the Prime Minister have indicated support for airport expansion. What action do you plan on that? Secondly, how widely do SAFs need to be taken up to make up for the extra flying as a result of the extra capacity?

Anne-Marie Trevelyan: As I say, our airline industry and our airports are privately owned. The opportunities are there for them to grow that. The challenges around Heathrow are mostly with air and noise pollution. Of course, those are resolved by the continual move forwards of clean energy. A lot of the air pollution around Heathrow is nothing to do with the planes. It has everything to do with the HGVs and the cars going in and out. There is a whole series of solutions for their ability to meet the challenges they have been set, which are around continued decarbonisation. It is incredibly important that we continue, as a Government, both incentivising and encouraging by providing the right regulation and investment to build those new forms and new clean energy solutions, of which SAF of course is one.

Q387 **Gavin Newlands:** Are we going to see the third runway at Heathrow?

Anne-Marie Trevelyan: As I say, it is for them to meet those air quality challenges even before we can come back to it. I am, as you know, a supporter of the third runway if we can meet those challenges. I think we need to make sure we get that right.



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Q388 **Gavin Newlands:** Where are we on airspace modernisation?

Anne-Marie Trevelyan: It is very much in discussion at the moment and something that we want to continue to work on.

Q389 **Gavin Newlands:** It is one of the easier things to accelerate at a lower cost to the Government, I would suggest.

Gareth Davies: You are totally right. Obviously, there is a significant carbon impact in the inefficient use of airspace. This is important both to reduce travel times and to reduce pollution, and noise pollution as well. Part of the challenge is that it is funded primarily by the industry. Given the issues through covid in terms of the balance sheets of a lot of airports, that was a challenge. The Government and the Department supported the airlines and airports on airspace modernisation through covid.

Q390 **Gavin Newlands:** After much pressure from Members like me. I hope that continues, at least in the short term.

I have one last question, Chair. In terms of modernisation and decarbonisation, airports like Glasgow will be important testbeds for electric and hydrogen flight, particularly because of Loganair, which has flights that operate out of Glasgow. I invite the Secretary of State to come up and see how important Glasgow airport is to the local economy and to see the plans it has, which also include being an eVTOL hub. You mentioned eVTOL earlier. When might you bring forward those regulations to help?

Anne-Marie Trevelyan: I am very happy to take up your very kind invitation. I was on a Loganair flight from Newcastle to Southampton on Saturday and it was marvellous. Other airports and airlines are available, obviously. I would be pleased to come and see it.

It is really important that we champion and encourage investments that allow these airports to become hubs, not only for the airlines themselves but for the wider support for industry as industrial centres. They are important opportunities, much like bus centres can be too. I would be pleased to come up and meet the teams who are leading the way in Glasgow. Glasgow of course, having had the light shone upon it for COP 26, is continuing its championing of all things green, which is lovely to see.

Q391 **Gavin Newlands:** Are the eVTOL regulations going to come forward in this Session?

Anne-Marie Trevelyan: As I say, we are looking to see what we can bring forward; I want to get as many of the regulations that can help us move forwards in all of these sectors as quickly as possible.

Gavin Newlands: Thank you. I just about squeezed them all in, Chair.

Q392 **Chair:** Good quickfire, Gavin. I have a few quickfire ones as well on the same subjects, going back to some of the points that Gavin mentioned.



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On Doncaster Sheffield airport, in response to a question from our colleague Nick Fletcher—the MP for Don Valley—the Prime Minister said that you, Secretary of State, would be taking steps to protect the airport. I believe that you have powers under the Civil Contingencies Act 2004. Are you ruling out using those powers? Do you regard it as a local solution to be found?

Anne-Marie Trevelyan: I have looked closely at it. The powers in the Civil Contingencies Act were envisaged for use in case of emergencies as set out by Parliament. We have examined whether the imminent potential closure of the airport would impact the search and rescue operation particularly, leading to the need for an emergency intervention. The companies based at the airport that provide search and rescue are looking to progress those contingencies so that they can maintain their operations. As I say, they have a base in Cardiff as well.

My assessment is that we would not meet the bar. It is the Cabinet Office that enacts the Civil Contingencies Act legislation. We would not meet the bar for that. As I say, I am pleased to hear that over the last few days new investors have come forward and that those discussions are indeed happening. Nick Fletcher has championed this issue and ensured that it has been at the top of my agenda very much over the last few weeks. Indeed, he has pushed the local Labour authority to really get stuck in to try to find potential solutions for the area.

Reiterating that transport is devolved in South Yorkshire and those powers and the moneys that might be spent sit with the Mayor, we stand ready as DFT—my officials have been very involved—to provide the technical support that they might need if there is progress to be made. We wait to hear how they are progressing with those discussions.

Q393 **Chair:** There was a similar issue in Teesside, but in that situation the devolved Mayor found a solution. Are you confident that the environment exists for the Mayor of South Yorkshire to come up with something similar?

Anne-Marie Trevelyan: As I say, I have not seen the details of these new investor offers, but Peel Holdings is the company that owns the airport. They are there to have discussions with those who might wish to purchase it from them. I am not privy to the details, but, as I say, we stand firm as DFT to support SYMCA and its teams if we can assist in any technical way, if those discussions progress and it finds a negotiation it wants to develop. In the meantime we will support them.

Q394 **Chair:** It will be technical assistance; it won't be funding.

Anne-Marie Trevelyan: No, because it is devolved.

Q395 **Chair:** Coming back to the £185 million that has been made available to increase the production of sustainable aviation fuel, I know it will not all have been spent but is it all protected, inasmuch as anything is these days?



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Gareth Davies: That fund has not been launched yet.

Q396 **Chair:** As far as you are concerned, being all about green and growth, because there are a lot of jobs to be created there, you would be looking for that to remain.

Anne-Marie Trevelyan: It is a really important next part of the journey for SAF and for the UK to really build leadership there. As I say, when I was at ICAO talking to some of my international interlocutors, they were very keen to build point-to-point development so that we can really demonstrate why, and indeed how, to airports across the globe. Few of us can lead the way on showing how it is done, and we want to make sure that the UK is at the heart of that production and value opportunity.

Q397 **Chair:** Will that include the creation of a market mechanism like contracts for difference? We heard in an inquiry that we have completed that that could really change the game in terms of providing a return on investment. Is that something you are willing to look at? It has been put on renewable energy, and it has been a great success as far as I know.

Anne-Marie Trevelyan: Absolutely. Having been the Energy Minister and being involved in modernising the CFDs in the last round, it is a very powerful driver. It is something that we continue to talk to BEIS about as these next generations of fuel start to appear and become commercialised.

Q398 **Chair:** Is slot reform on your agenda as well?

Anne-Marie Trevelyan: It has not quite made it to the top of the list yet, but it is on my agenda.

Chair: On that basis, we will leave it there and go to smart motorways, another area that we have spent a lot of time and energy on.

Q399 **Karl McCartney:** We have indeed, Chair, but I have a quick question on another subject first of all. Secretary of State, are you or any of your Ministers planning, in your very busy diary, which you have iterated to us a number of times today, to be in Newquay in the next couple of weeks—in Cornwall, I hasten to add, not Wales?

Anne-Marie Trevelyan: It is not booked in at the moment.

Q400 **Karl McCartney:** You or any of your colleagues?

Anne-Marie Trevelyan: I do not know about my Ministers. I have not kept track of their schedules, I am afraid. I can get back to you if that would be helpful.

Chair: Are you sure it is not a surfing question?

Q401 **Karl McCartney:** It is not a surfing question. It is a space question, Chair. We would all like to see it happen.

Anne-Marie Trevelyan: Absolutely, and we are all working at pace to do that.



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Q402 **Karl McCartney:** Thank you for that update. Super. Do you believe that smart motorways are smart?

Anne-Marie Trevelyan: They are a different way of managing traffic flows, and they have been demonstrated—

Q403 **Karl McCartney:** Now you are sounding like your predecessor and not like the Prime Minister.

Anne-Marie Trevelyan: I'm sorry. I do not wish to sound like anyone but myself. I am someone who uses them quite a lot as I drive up and down the country. They are a way to manage traffic flows. I think the challenges with safety have been real. My predecessor set a very good pause mechanism so that we can gather a substantial amount of data.

Q404 **Karl McCartney:** You are not saying what we want to hear, so I am going to ask you something else specifically. Did you support the Prime Minister in her leadership campaign?

Anne-Marie Trevelyan: Yes, I did support the Prime Minister.

Q405 **Karl McCartney:** During her leadership campaign the Prime Minister said that she believed the smart motorways experiment had not worked and that she would stop them. Is this now the Department's policy?

Anne-Marie Trevelyan: They are all on pause. That is exactly what we have done.

Q406 **Karl McCartney:** Is it now the Department's policy to stop the roll-out of smart motorways and, if it isn't, why not?

Anne-Marie Trevelyan: Yes, we have stopped rolling out any more for now and we are going to gather the evidence. That is important when you make any big new technology; you shouldn't not gather the information. Then we will assess it. We have been very clear, and the Prime Minister has been very clear, that we are putting a complete pause on the programme. We are continuing safety improvements on those that are there. I think it is really important that we finish that bit of the job off so that we have more of the emergency areas, as was identified necessary. That work is continuing until it is done, so that those that are in place have the emergency levels they need.

Q407 **Karl McCartney:** Have the problems with artificial intelligence and how the process works when something happens on a so-called smart motorway been explained to you, Secretary of State?

Anne-Marie Trevelyan: I am on a high learning curve on the subject of the technical side of smart motorways.

Q408 **Karl McCartney:** So you are aware that it is not actually the breakdown or the accident that causes any notification to be made. It is actually the congestion and the tailback, which can take up to 15 or 20 minutes to occur. Therefore National Highways has missed its revised September targets for 10-minute response times for live lane stops on all-lane



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running motorways, otherwise known as smart motorways. What action do you plan to take in response to that?

Anne-Marie Trevelyan: As I say, it is very much the safety elements and making sure that we maximise the improvements to safety. Many are in place and we continue to monitor. Katherine Fletcher, the Minister who has the day-to-day oversight of that, is extremely focused on making sure that those safety elements are improved and reached so that the roads that are there give drivers confidence rather than the opposite.

Q409 **Karl McCartney:** It is something that the Labour party brought in after 1997 and eventually introduced in 2008, and which some people in the Department for Transport have lived and breathed. Do you foresee an opportunity at some point in the future, if the evidence points to it, that you will row back and remove smart motorways on our system because of the lack of safety issues?

Anne-Marie Trevelyan: If that is what the evidence indicated, that would be the right decision, yes.

Q410 **Karl McCartney:** Many of our 35 million drivers will be very pleased to hear that.

Anne-Marie Trevelyan: We will see what the evidence tells us.

Q411 **Karl McCartney:** Very quickly on fuel, you said two of your priorities were growth and green. We have touched on fuel and sustainable fuel. There is E5, E10 and all sorts of fuel, whether or not it is sustainable fuel. Specifically, E10 fuel was brought in under a previous Secretary of State for Transport. No fuel crosses two different Departments, but are you aware that there are new cars coming on the road that are internal combustion engines such as Porsches? They are not a car I particularly favour, but I know that brand-new Porsches cannot run on E10; you have to fill them with E5. Will you ensure that E5 will become more widely available than it is currently? Currently, it is only petrol stations that sell over a million gallons a year, I believe, or a million litres.

Anne-Marie Trevelyan: If I may, I will come back to you.

Karl McCartney: I would love you to. Thank you very much indeed, Secretary of State.

Q412 **Ruth Cadbury:** Welcome, Secretary of State. Apologies for being late. I was speaking at another event.

I am going to focus on road safety. During her election campaign this summer, the now Prime Minister—currently Prime Minister—talked about scrapping speed limits. Are you pursuing this strategy?

Anne-Marie Trevelyan: It is not something that is at the front of my agenda at the moment, no.

Q413 **Ruth Cadbury:** Good, because that concerned a lot of people. The transport Bill, which now appears to be demised, was, according to



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Baroness Vere, going to include the creation of a road safety investigation branch which was very much welcomed by many. With the Bill going, what chance do we have of that branch being created, given that it needs legislation to do so?

Anne-Marie Trevelyan: As I say, at the moment we are looking at all of these things and trying to work out how we can most effectively streamline the most urgent and important ones. Safety is always at the top of what DFT does, but the next ones are about those future developments. Where there is a list of things, safety is always at the top of my list.

Q414 **Ruth Cadbury:** Road safety campaigners are also waiting, and have been waiting for some time, for the road safety strategic framework and casualty reduction targets. We are one of the few equivalent countries that does not have targets for casualty reduction. Are there any plans to bring both of these forward?

Anne-Marie Trevelyan: Let me take that away. It has not met my desk yet, so let me take that away. I am working my way through all of these. I do not know if any of you want to pick that up, but I am literally trying to synthesise all of what was in the transport Bill into how we move forward.

Q415 **Ruth Cadbury:** There will be a lot of Members from across the House who will be seeking answers to those questions.

Anne-Marie Trevelyan: That will be very helpful. Thank you.

Q416 **Chair:** The last part we want to cover is growth. You have talked about the green and the growth side of things. On growth, we have a long list of transport infrastructure projects that are listed in the growth plan. How will you ultimately ensure that they are delivered faster? What will change and, therefore, what is potentially at risk, be it the environment or decarbonisation, in order to do that?

Anne-Marie Trevelyan: I have been meeting all those who would help us to build all these infrastructure projects. The risks sit in a number of areas. The supply chain capacity issue is one. We are working through that and thinking systematically about how we work in groups and how they can come together in alliances to work in a number of areas.

Some of them are big projects; some of them are small projects. They are all projects where we believe that they are able to move at pace and are ready to go, barring perhaps planning issues, which would be streamlined through the proposed planning Bill from DLUHC, or where historically the relationship between DFT and Treasury in getting the BCR¹ flowing through needs to go faster. That is one of the commitments that the growth plan brought forward.

¹ BCR = Benefit Cost Ratio.



These are all funded projects that sit in RIS2 or in other parts of our programme. It is not a shock or new to anybody. It is a matter of making those particular cogs work faster. The commitments from Government are there for those cogs. I want to make sure that we are working at pace with the industry so that they can support us in thinking about how we do them most effectively. Do you do them as a group of five if it is in a particular geographical area, and so on? They have done that occasionally, but we really want to enforce that and make sure, importantly—these are some of the things that they have raised with me—that, where regulations are perhaps a little old-fashioned, they have technological solutions which mean we can go more quickly and do things differently so that we make sure that we are flexing those in a way that allows them to do the delivery of the projects more quickly than they otherwise would have done.

There is a series of pegs between them that need to be in place. They are different pegs for different ones on that 114 list, but the key will be making sure that we work incredibly closely with industry so that they can maximise their resource, both in terms of the material supply chain and their workforce so that we can deliver it at the pace we want.

Q417 Chair: I reference two inquiries and recommendations we put on the back of those. One was on major transport infrastructure projects, where we found that things just take too long and tend to run over budget without any accountability. The other was the HGVs and the supply chain, where we looked not least at the planning laws and how difficult it is to deliver the service stations that attract the workforce.

In both those inquiries, we lamented the fact that it takes so long. There are legal issues. You have the A303 as one of the road projects. That got taken out by judicial review. Are you going to take radical steps to intervene on all of those blockers that just mean we cannot get things built to time or cost?

Anne-Marie Trevelyan: I don't know if they are radical interventions. What we are looking to do is to streamline. I am a mathematician. The way I look at it is that we have been doing a lot of these things in series, and we need to do them in parallel. Often, we do not need to repeat them the many times that we do. It is streamlining a system that has become quite clogged up and saying, "This is not the way to deliver it."

I think you are exactly right, and I agree with you that things have taken far too long. By definition, if they take longer they usually cost more. You can streamline it and say, "This is the framework. We understand that this repeated whatever it is does not need to be done, or you can do it while the work is going on and you don't have to wait until you get to the DCO for a certain number of things to happen. You can do them alongside it." You can be much more business-focused in thinking about how we deliver that.



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That is the Prime Minister's challenge. We have pulled out of our very large pot of infrastructure projects the 100 or so that we feel are in a place and a readiness such that we can demonstrate that. I hope that what we will take from this particular cohort is an understanding of where we can do things better. A lot of those levers are not DFT's but are across Whitehall. We can think more intelligently and more quickly on how to deliver infrastructure. Every Department has an infrastructure budget of different proportions. It is the construction industry that is helping us deliver it. We are working with them to understand, alongside, really importantly, using technology and cleaner materials. It is how we maximise their determination to do things as effectively as possible. That is the mission. We are effectively at the front end of testing how we can do this more effectively.

Chair: I will hand over to Greg Smith, not least because he has been on the Levelling Up Bill Committee that has been spending weeks and weeks on planning matters.

Q418 **Greg Smith:** It is not done yet. I want to come in on the back of the Chair's last question about HGV parking and roadside facilities. Just for transparency, I am chairman of the all-party parliamentary group on road haulage and logistics.

Clearly, we have investment zones coming down the line. Off the back of that last question, we always look at infrastructure projects and think big train projects, big new roads, and so on, whereas actually it is the building blocks that make those new roads functional in the first place that often matter. Can you commit that, while not all of the answers sit within your power—they are cross-government issues—when we see the first iteration of investment zones, DFT will be on the front foot in marrying those up to areas of the strategic road network without adequate facilities for HGVs and the supply chain, so that we can radically push forward getting the United Kingdom into a much better place for roadside facilities compared to some of our competitors?

Anne-Marie Trevelyan: I was able to meet the new CEO of the Road Haulage Association earlier in the week, which was great. We discussed this at some length, as you would expect. I think that is a really fair challenge. As you say, investment zones offer opportunity. They can be as big or small as you like. Simon Clarke is very clear. This is about the local council, the local MPs and the community who want this coming forward and asking for it. My red line can be a little one or it can be a big one. That is the beauty of the flexibility of investment. It is all about the local community.

I think it is a very fair challenge that we think about where we know those important initiatives are but the request for the investment zone will come from the local authority.

Q419 **Greg Smith:** Absolutely. The challenge, once we know where those investment zones are, is ensuring that there is the oversight to marry



them up with points of the strategic road network.

Anne-Marie Trevelyan: Indeed. By default, often, that is the ask from local authorities. In terms of lorry parks, modernising and providing a better offer for HGV drivers is really important. It is something I want to focus on because we have an ageing group and we need to bring the next generation in and it needs to be a more diverse group. For that, there needs to be a better service provision for them. It is a really good challenge and we stand ready to work with all those who present their investment zone requests to Simon Clarke.

Chair: Thank you, Greg. We conclude with the voice of the north-east.

Q420 **Grahame Morris:** This follows on from the answers you gave, Secretary of State, to two of my colleagues earlier. It relates to growth and encouraging economic activity locally. In my constituency, south of Peterlee, there have been three major accidents on the A19 in the last two weeks, causing carriageways to be closed in both directions and major disruption. The great north area ambulance was involved.

I know that speed limits aren't popular. The Prime Minister made some commitment about removing them, but the fact of the matter is that those accidents were caused by people travelling at excessive speed. Would you be willing to support my efforts to try to persuade Highways England to look at average speed cameras along this stretch of the A19, which seems to be predisposed to a number of serious accidents, causing massive disruption economically and for people accessing the industrial estates and the business parks? I put that request to you, Secretary of State, if you don't mind.

Anne-Marie Trevelyan: I am very happy to look at it with you, Grahame, and understand what the problem is and, if it is speed, to discuss with Highways England whether that might be a solution. If that is a particularly difficult stretch, I am happy to see if we can find a solution.

Grahame Morris: Thank you.

Q421 **Chair:** Secretary of State, thank you. It is fair to say that we had a good collaborative relationship with your predecessor and a number of our recommendations turned into policy, which is what we are all about. We hope to do the same with you. It has been a great start today.

Dame Bernadette and Gareth, thank you both. The Department has a very strong reputation, possibly the best among Committees, for providing information to us in a timely manner and always turning things round. If we can continue in that vein we will be very happy.

Dame Bernadette Kelly: Thank you for that. We always try very hard to do that. There is one thing where you might want to manage your expectations a little, which is the response to the integrated rail plan. Your report opens a large number of quite important questions. I think you are in correspondence with the Rail Minister on that—



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Chair: That's fine. I took weeks to mean December into March. The Rail Minister wrote to us and I received it last night, so I am aware of it. We welcome that commitment to work and deliver a better plan as well.