



HOUSE OF COMMONS

Transport Committee

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

Wednesday 7 December 2022

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Members present: Karl McCartney (Chair); Mr Ben Bradshaw; Jack Brereton; Ruth Cadbury; Chris Loder; Grahame Morris; Gavin Newlands; and Greg Smith.

Questions 422 to 540

Witnesses

I: Rt Hon Mark Harper MP, Secretary of State for Transport; Dame Bernadette Kelly DCB, Permanent Secretary, Department for Transport; and Gareth Davies CB, Second Permanent Secretary, Department for Transport.



Examination of witnesses

Witnesses: Mark Harper, Dame Bernadette Kelly and Gareth Davies.

Q422 **Chair:** Welcome to this latest session of the Transport Committee. Today, we have the Secretary of State for Transport along with the two permanent secretaries at the Department for Transport. For the record, would you like to introduce yourselves?

Mark Harper: Thank you very much, Chairman. I am Mark Harper, Secretary of State for Transport.

Dame Bernadette Kelly: I am Bernadette Kelly, Permanent Secretary at the Department for Transport.

Gareth Davies: And I am Gareth Davies, second Permanent Secretary at the Department for Transport.

Q423 **Chair:** Welcome to all three of you, and also to the PPS—our former colleague—who I notice at the back. It is good to see you as well. The sharp-eyed among you will have noticed the absence of the Chairman, who has unfortunately tested positive for covid last week and this week. There has not been a coup—I am only the Chairman in a temporary capacity for today. Hi to Iain, who is watching at home—and also to my mum and dad, of course.

I remind both witnesses and colleagues that we have a lot to get through today, so brevity in questions as well as in answers, please.

On declaring interests, I was a Minister for a short period of time, so I do know the three witnesses. I do not think that anybody else has anything to declare at this point. In that case, Secretary of State, I believe that you would like to make an opening statement. No more than two minutes, please.

Mark Harper: Thank you very much, Chairman. It is a great pleasure to be here. Of course, I am disappointed that the Chairman of the Committee is not able to be with us, but it is a great pleasure to have you in the Chair. I thought it would be helpful to the Committee to give a brief update about where we are with industrial action on the railways. Of course, I will be happy to take any questions afterwards.

As you know—I said it publicly—I am very disappointed that the RMT have turned down the offer that they were made. It was an improved offer. I met with the trade unions and I thought that that dialogue was helpful. It is not my role to negotiate in place of the employers and the trade unions, but I said that I and the Rail Minister would work to try to facilitate an offer.

It is not just a pay dispute. It is about reform of the rail industry in the context that taxpayers have put £31 billion of support into the rail industry over the past two years—obviously, that was driven by covid and the fact



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that a significant number of passengers have not returned to the railways—which is equivalent to over £1,000 per household in the country and over £300,000 per rail worker. That is the context showing why we need reform. We protected the railway jobs, and staff at DfT-contracted railway companies were not furloughed and did not lose any pay during that period.

We have only seen about 80% of passenger numbers return to the railways, so I think that we have got to have reform. I want a thriving, successful railway, as that is the only way to protect those jobs in the long term. My Department spends over 60% of its total spending on capital and revenue on railways, yet only 10% of journey miles in the country are on rail. I think that we have to get that into a better sense of balance, and that is what we are trying to do with the unions.

I would still urge the unions to keep talking, to put those deals to their members with at least a neutral recommendation, and to call off the strikes before Christmas, which are going to be so damaging to individuals and businesses across a whole range of sectors. The Government will do what we can to try to encourage both employers and unions to keep talking. I hope that is helpful. Obviously, we can take some questions on that and, of course, any other questions that the Committee wishes to ask.

Q424 Chair: We have a schedule and, for anybody watching, we might be getting on to that issue in about 20 minutes' time.

Thank you very much for that scene setting. Leading on from that, my opening question is: when we reach the end of this Parliament—I presume that will be around this time in 2024, and we assume that you will still be in the role; I hope you will be—what will success look like for you?

Mark Harper: I will step through the various areas. The most obvious one, coming back to where I started, is getting the railway system into a sustainable position. There has been a massive impact from covid in terms of changed patterns of behaviour. Commuter traffic is still only around 60% of what it was pre-pandemic, and I suspect that will not come back because of what people can now do with technology and changed working patterns. We have seen an increase in leisure travel. So I think that the railways need to be more flexible.

We need a proper seven-day railway where we do not depend on people coming in to work voluntarily, and we need a sustainable, long-term position for rail. That would probably be the first thing I would say, but I am also very conscious that the vast majority of journeys that people make are either on roads or are active travel, such as walking or cycling, or they are using buses locally.

I am also very conscious that, as well as the inevitable conversations that we have about rail, which are driven by the current position, the impact of the pandemic and what the Department spends its money on, we need to make sure we continue to invest in roads. We obviously have to play our



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part in delivering our net zero ambitions in decarbonising transport across all the modes and ensuring we continue to invest in roads and buses. We must make sure that we enable people to get around.

I suppose the final thing is that the Government are very clear that we need to grow the economy. We need to improve economic growth, and I think that the autumn statement and the fact that the Chancellor maintained our budgets, both capital and revenue, show that the Government see investment in transport as a way to drive growth in the economy. All those things are how I would measure whether we are successful.

Q425 **Chair:** Thank you for the clarity there. You were appointed on my birthday, 25 October, so you are about six weeks in the job. Just some brief answers, really, so there is no need for explanation. What are your top three immediate priorities in the role after your first six weeks?

Mark Harper: The first thing that has been thrust into place—I won't go into it in detail because we will come back to it—is obviously dealing with the situation on the railways. It is partly industrial action, and connected to that is the lack of proper service delivery on some routes that people well know, such as Avanti West Coast and TransPennine Express. Those issues are raised with me both by colleagues and by members of the public. I got asked about them, understandably, when I met with northern Mayors.

The second one I have referred to—the autumn statement. While it was welcome that we had our budgets confirmed, like every Department, we are obviously having to manage the impact of inflation, so we are working through the settlement that we got in the autumn statement and how we are going to continue delivering our priorities. That work is under way in the Department, and I am spending a considerable amount of time on it. That really is driving our other priorities.

The third one as a new Secretary of State is getting my head around the breadth of the Department, meeting all the key members of staff, and working with Bernadette and Gareth and their teams. Those are the three things that I have been focused on since I was appointed.

Q426 **Chair:** Super. I am pleased to hear that, and I hope you will visit the other offices of the Department around the country. I enjoyed doing so in the summer.

This might be a question for your two permanent secretaries, but you might want to jump in; I don't know. Ministerial portfolios in the Department have been significantly reshuffled twice in the last three months. What effect does this have on the continuity of policy direction and is there work in the Department that is behind schedule as a result of that?

Mark Harper: Clearly it is not ideal that there has been so much change in Ministers and portfolios. That kind of goes without saying, but I am very fortunate in that we have a strong ministerial team. The Committee will be

very familiar with the Rail Minister, who is your former Chair, and I have a very good ministerial team. Baroness Vere remains as the institutional memory or the continuity. We have a strong team across the board.

I have authored the portfolios and settled them to match people's skills. The blessing of a strong Department at official level and of the way our system works is that even with change in the ministerial team, there has been a lot of continuity in the work that officials have been carrying forward. As when I have taken on previous ministerial roles, you come into the Department and you are brought up to speed very quickly, but a lot of work goes on. The Department has been very good at identifying key decisions that needed to be taken and getting them in front of Ministers. I think we have managed to keep things going quite well.

I don't know whether you want to add anything , Bernadette.

Dame Bernadette Kelly: I would strongly agree with that. Inevitably, a fairly extended period of uncertainty—really since the start of the leadership election in the summer, then changes of Ministers—causes some issues. There are some decisions that absolutely need to be put in front of Ministers, and they need to be confident they fully understand the issues before they can take them. There are areas where we need to recognise that changes in Ministers will mean that we have to take time and rightly allow new Ministers with new portfolios to be comfortable with decision making. But we are a Department focused on delivery through our arm's length bodies, and we are very operational in terms of dealing with disruption to the transport network. Those sorts of activities continue to proceed, and we are able to get on and do that delivery.

We have always made sure that when we have a new Secretary of State and ministerial team we, as you say, prioritise the key decisions, get them in front of Ministers at the earliest possible date, and keep cracking on. I think we have been able to strike a good balance there.

Chair: Thank you, Dame Kelly—I don't know whether to call you Dame Kelly or Bernadette.

Dame Bernadette Kelly: Bernadette's fine.

Q427 **Chair:** Mr Davies, do you have anything to add to that?

Gareth Davies: Just to emphasise that what we do have is the continuity of the civil service teams and structures. That means you are able to keep the institutional knowledge and expertise focused, as Bernadette says, on areas such as the delivery of HS2 through to the transport decarbonisation plan, or managing some of the operational issues we faced at the start of the summer. We have been able to keep the continuity as we have brought new Ministers up to speed and made sure they have the opportunity to shape and direct the Department.

Q428 **Chair:** Thank you. A final question from me. Departmental responses to a number of consultations across a variety of policy areas are outstanding. Is there a lack of capacity to see these pieces of work through, or are



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they about to be released—before Christmas or immediately in the new year?

Mark Harper: On the report that the Committee did on the Integrated Rail Plan, we wrote and secured an extension to respond fully next March, but we did commit to providing an update by the end of the year, and we plan to do so. On the report that the Committee did on road pricing, that will be responded to by the Treasury, and they are going to reply in due course. I do not have a specific time.

Chair: There is imminent Treasury correspondence.

Mark Harper: Indeed.

Q429 **Mr Bradshaw:** One of the responses that we are still waiting for is the one on pavement parking, which closed two years ago. When might we see that?

Mark Harper: A letter came to the Committee to set out that we were considering that and looking at taking it forward. One thing we are looking at is our legislative priorities. It has not been forgotten. I am well aware of it. In fact, I had it raised with me as a constituency Member of Parliament when I was a Back Bencher. It has not been forgotten. I just do not have a specific date for the Committee.

Q430 **Mr Bradshaw:** Your predecessor, who was not there for very long, did have time to come and see us and dropped the bombshell that the Government were dropping the Transport Bill, but she was very clear that she thought there would be a narrow, small transport Bill in this Session. Is that still the case? Is that your expectation?

Mark Harper: I think my predecessor said that there was not going to be a transport Bill in this Session. There are things that the Department—I will go back and look at exactly what she said—

Mr Bradshaw: She did—she said she would be bringing forward a narrow transport Bill during this Session.

Mark Harper: I checked what she said—we will check and clarify it—but I think she confirmed to the Committee that there would not be a transport Bill this Session. We will go back and have a look and confirm. The Department has some legislative priorities for the fourth Session, and we will be setting out our plans for that, but obviously that depends on parliamentary time being available. Those decisions are taken across Government when you look at the Government's priorities.

Q431 **Mr Bradshaw:** But, Secretary of State, there are so many issues that are in your Department's responsibility, from pavement parking, which causes misery for millions of our constituents, to the fact that we are years behind as a country in regulating e-scooters. All of these things are holding us back. Then there is legislation and regulation on self-driving vehicles. We are also falling years behind our economic competitors because your Department has failed to do this stuff. When are you going to do it?



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Mark Harper: I have made it very clear, Mr Bradshaw, that we do have a number of things where we require legislation, but as a very experienced parliamentarian who has also served in Government, you know that decisions about the legislative programme for the full Session are not entirely for me. I will set out within Government what I think are priorities for the Department, and then the Government as a whole will conclude about its priorities, and that will be set out in due course. That is not entirely a matter for me, as much as I wish it were.

The Department is clear about the things that we wish to prioritise, and the Committee will have discussed that with my predecessor and her predecessor, but it is not within my gift to set out the legislative priorities for the full Session. We are clear that all the things that you said are things that I want to achieve, and we will be making that case strongly within Government.

Q432 **Mr Bradshaw:** What is it that is preventing the Government as a whole from legislating on these important matters, meaning that we are being left behind as a country?

Mark Harper: It is fairly obvious that over the last couple of years the legislative timetable for the entire parliamentary term has been rather transformed by events. Covid clearly had a massive impact on the Government's entire programme, and there are other things going on in the world that have meant that the Government have had to take steps—

Q433 **Mr Bradshaw:** Is it not the turmoil inside the Government themselves—the constant chopping and changing of Prime Ministers and Ministers and the inability to agree on a policy and stick to it? Do you not think that that has anything to do with it?

Mark Harper: No. You mentioned certain things there that I do not think have changed at all, but there have been changes in priorities. I will pick up one, for example: since the beginning of the year, we have had Vladimir Putin's war in Ukraine, which has necessitated a very significant amount of Government funding.

Over £100 billion is being spent on supporting energy prices and a significant amount of Government effort put into looking at supporting individuals. There have been a lot of changes across Government to deal with that transformation in the economy, and a lot of Ministers' and Parliament's time taken up dealing with the consequences of that effect. That is not something that could have been predicted. Events have impacted on what the Government have focused their time on.

Q434 **Mr Bradshaw:** Are you prepared to commit to addressing just those three issues? They are not huge issues, but they are issues that are of massive concern to our constituents that we have been waiting for years on—pavement parking, e-scooters and self-driving vehicles. Will this be done before the next election?

Mark Harper: I am very clear that those are priorities for my Department, but you are a very experienced parliamentarian and you



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know that I do not have the ability to promise specific legislation in the full Session. I will make my case inside Government. There are competing priorities for the Government, and decisions will be taken collectively about our legislative priorities. The things that you mentioned are important priorities for me, and I will be making that case very strongly.

Q435 Mr Bradshaw: Do you not see that it leaves the impression that the Government as a whole—not you, because you fight for the interests of transport—really could not care less about transport in this country?

Mark Harper: No, I strongly disagree. If you judge people by putting their money where their mouth is, as people often do, that is very clear from the autumn statement and the fact that the Chancellor did not do what some Governments in the distant past have done, which is to raid capital spending to plug gaps.

We had our capital budget confirmed—indeed, capital budgets were confirmed across Government—and our revenue budget was confirmed, so actually I think that the Government are investing in transport very strongly. We have confirmed our investment in some significant transport projects to grow the economy and get it functioning better. I would say that the Government are investing in transport and value it highly.

As far as legislation is concerned, there are competing priorities. There are lots of things that are important to our constituents across a range of factors, and the Government must weigh those up. I will be making the case very strongly for transport, but as you know, those decisions are taken collectively across Government. I want to get off on the right foot with the Committee; I do not want to promise it things that I am not able to deliver. Things that are entirely within my control, I can promise. I can promise to go and argue for things inside Government, but at this stage I cannot commit to fourth term legislative time for a transport Bill.

Q436 Chair: Thanks for that. Because Ben has asked some very searching questions, could we seek some clarification from you and your two colleagues with some written statement that we could maybe have that would give us some clarification? I understand that it is very difficult for you in the Department to say when legislation might well be coming forward, but it might be helpful for all of us. I know that Ruth is going to ask some questions on this point as well.

Mark Harper: Yes, absolutely. I will perhaps set out for the Committee the legislation that we currently have under way. There is some primary legislation that people may ask about, and other things that the Department is working on; for example, we will have to spend a fair bit of time on retained EU legislation to meet the requirements that are set out in primary legislation. We can set out what the Department is currently working on and some of the things that will need legislation in the future, if that will be helpful to the Committee.

Chair: It will be. Thank you.

Q437 Ruth Cadbury: Secretary of State, you say that there is pressure on the



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legislative timetable and budget issues, but many of the issues we are waiting to see legislation on do not involve a lot of spend by the Department, and the legislative timetable is hardly under pressure; we have a longer than normal recess this Christmas, and there is an awful lot of days when we are not voting on Bills. We think there is more to this.

The Road Safety Investigation Branch is hardly controversial, will not cost a lot of money and is very popular. Will you bring that forward? We are hearing in our self-driving vehicles inquiry that the UK industry is losing out because of the delay in legislation here. That would be good for UK business, and it needs to come through quickly.

You say there is a lot of work to do, and certainly you will have to do a lot of work to review the huge amount of retained EU law, as you said, but will the UK regulations be updated to world-leading standards, or are we going to go with the Rees-Mogg bonfire of regulations and red tape in our attitude to vehicle safety, which is so important to so many?

Mark Harper: There are a couple of things to say. On your first point about parliamentary time, you are absolutely right that Parliament does not spend all of its time voting on legislation, but part of what Parliament does is to make time available for Opposition day debates, Backbench Business debates and so on. It is not right that the Government consume the whole parliamentary timetable.

Time in Parliament is made available for non-legislative purposes, so the Government do not have the whole timetable to themselves. I made it clear in answer to Mr Bradshaw's question that there are some priorities for my Department. You are right: some of them do not involve a huge amount of spending, but they do require legislative time to get through Parliament, and I will be making that case very strongly.

On your point about regulation, one of the things that I am very mindful of and one of the arguments that all Ministers are mindful of is that if we can adopt regulation that puts Britain in a leading position and sets out a clear framework, Britain will become a very attractive country for investment both by British companies and from overseas investors. That is where I want to get the country to.

We have seen some examples of that already, but I want to get to a position where, as Mr Bradshaw set out, we can be leading on these matters, be an attractive inward investment location around the world and see these exciting global steps forward taking place in Britain. That is my ambition, and I think it is the Government's ambition, because we want to drive economic growth, so one of the arguments I will be making strongly with colleagues is the need to legislate to get that framework and put Britain right at the front of these important challenges.

Q438 **Ruth Cadbury:** On self-driving vehicles, what discussions are you having with UK firms that are developing this technology about the impact of the delay on them?



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Mark Harper: I have not had any conversations at this point. Perhaps Gareth can set out what the Department has been doing, which may be helpful.

Gareth Davies: My team has been working closely with the industry to understand the regulatory needs. Working with the Law Commission, we published a review over the summer on the need to understand things like insurance and the standardised definitions of “autonomy”, because there are still changes in the industry.

I saw the chief exec of Wayve recently to understand exactly where the technology is. I do not know if you have had the opportunity to go out in their vehicles, but what they have been able to achieve is pretty impressive, and the progress is faster than a lot of people would have expected even a few years ago. They were able to set out very clearly what has been helpful about the UK environment: it is an awful phrase, but the regulatory sandbox, as we have created the future of mobility zones; and some of the R&D investment that the Department has been able to support—I would expand that out to companies like ZeroAvia in aerospace. They were also very clear about the standardisation and clarification that are needed to build out the industry.

We could not be clearer in the Department—certainly in my team—on the needs of the industry. We would like to think that we have been leading the debate, especially with the Law Commission, which has done incredible work over the summer. We know that, obviously, that now needs legislation.

Chair: Secretary of State, listening to some of your answers a short while ago, I think the car manufacturing industry would like to see the country leading when it comes to legislation, certainly for the period of 2030 to 2035. I think their view is that we are lagging behind the EU and the rest of the world at this point, rather than leading from the front. That may come in the clarification about what legislation might be coming forward.

Also, I draw your attention to when your predecessor was in front of this Committee and what you have referred to. I think that we are right and, unfortunately, I think your Department is wrong, but we will leave that for another day. Let’s move on to Great British Railways.

Q439 **Chris Loder:** Morning, everybody. It is nice to see you again, Bernadette and Gareth. Secretary of State, is it still your plan to fully implement the plan for rail—that is, Great British Railways?

Mark Harper: It is very much my plan to achieve the intention behind that idea, which is to get the railways to have a guiding mind behind them to have a more integrated position between how the different parts of the industry work. What I wanted to do was take some time. As you know, there are different views about how exactly we achieve that, not just outside Parliament but inside it.

I wanted to take some time—not too much time, but I want to take some time—to listen to those alternative views from some of those who have

held the rail brief in the past and others. I have started that work. I have spoken to Mr Williams and a number of colleagues who have views on this matter. I am talking to my colleague the Rail Minister, and I will reach some conclusions. I have not done so yet, but I wanted to take some time to make sure that we make the right decisions.

Q440 **Chris Loder:** So what we are saying is that the Great British Railways proposal as it stands is up in the air.

Mark Harper: I am taking some time to reflect on it and to make sure when we move forward that I am entirely happy with what we are doing. I know that there are a range of views in Parliament, and I think it is important that I take some time to listen and bear those in mind before I make any final decisions.

Q441 **Chris Loder:** Given what we heard from you a little earlier about the ability to progress primary legislation, it feels as though, certainly in this session, it will be impossible to fully implement GBR as has been set out, even though at our last session it was made clear to us that the legislation required to fully implement GBR would be relatively short and not complicated. I think we are clear that primary legislation is not going to be possible in this session. What are the options available and what, realistically, are you considering changing?

Mark Harper: I said in answer to Mr Bradshaw's question that we will look at legislation for the fourth session. There are, of course, things that we can do without legislation, which we are continuing to work on. We have made some commitments about rolling out contactless pay-as-you-go ticketing to more stations in the south-east. That work is under way. We already have the GBR transition team working.

Q442 **Chris Loder:** Could I just come back to you on that? My understanding is that contactless travel and ticketing was contracted some time ago, and is totally separate to this. I understand that many hundreds of people are working on GBR as it stands today, at the taxpayer's expense. We are in this situation where, clearly, decisions need to be made very quickly. Could you share with us when you are likely to make that very clear decision about the extent to which GBR will be implemented?

Mark Harper: We have already brought the transition team together, so it is already the case that we have Network Rail and DfT teams working more closely together to look at how to align the business planning between track and train, which is one of the things that we need to do.

There is already a lot of bringing people together and working together under way already. I will ask the Permanent Secretary to say a little more about that in a minute. There are things that you need legislation for, and we will make that case. It is the same answer, I'm afraid, as the one I gave Mr Bradshaw, which is that I cannot commit to doing that. Clearly, there is work that can be done ahead of legislation. A lot of planning can take place.



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On your final point, before I ask the Permanent Secretary to comment, in terms of making a decision, I aim to do that at pace. But given what I said in my opening remarks about the resources the Department spends on rail, and the importance of rail, I want to ensure that we make the right decisions. Given that I have only been in this role a few weeks, I want to take the time to get it right before we move ahead with it. Bernadette, did you want to say a bit about the work that is under way?

Dame Bernadette Kelly: Absolutely. We had this discussion at the last hearing as well, Mr Loder, and I think I confirmed then that legislation would be relatively short, as and when it is brought forward. As we discussed, there are some things that require legislation in order to fundamentally change, including who is the formal franchising authority.

However, as the Secretary of State has indicated, a great deal of the purpose and intent of rail reform set out in the White Paper can be taken forward without legislation. That includes steps to improve roll-out, extend flexible ticketing and drive workforce reform, as well as other measures to ensure that the railway is working more effectively, efficiently and in the interest of taxpayers and passengers. There are many things that don't require legislation, and colleagues in my Department, in Network Rail and in the industry are working together to drive those improvements as far and as effectively as we can, with or without legislation. That work does indeed continue.

Q443 **Chris Loder:** My understanding is that the only thing that is really required in legislative terms is the franchising authority change. Given that this process started, if I recall correctly, back in 2017, under the then Secretary of State, the right hon. Member for Epsom and Ewell, we are now some five years down the line. As we have many hundreds of people working on this at considerable expense, do you have a timeline to which you are working for certain milestones to be delivered—even if that is not the full suite of the original proposal?

Dame Bernadette Kelly: Yes, there are still plans within the Department for taking forward the various workstreams that I have described that don't require legislation. Obviously, we will work with the Secretary of State, and under his direction, to ensure those are taken forward in a way that he is satisfied is right.

Q444 **Chris Loder:** Thank you. Could you tell us when we are going to see the rail network enhancements plan?

Mark Harper: As I said in my earlier answer, one of the things we are now doing in the Department—and we are doing it at considerable effort and pace—is to work through both our capital and revenue plans following the autumn statement.

One of the things I am doing with my ministerial team is looking at how we manage that; we had our capital and our revenue budgets confirmed, but we are having to deal with inflation pressure, as are all Departments and the private sector. We are looking at our capital investments and the priorities on those. I know that some of those things have not been



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published for some time, but we will set all of those out when we have reached conclusions on our capital and revenue priorities.

Q445 **Chris Loder:** Are you coming under particular pressure from the Treasury to find savings?

Mark Harper: As I said, our budgets were confirmed in cash terms, but there are significant inflation priorities that we have to manage. I am working through those priorities now, with my ministerial team, across all of the areas of capital expenditure and all the areas of revenue. The information, in terms of our total expenditure, was set out at the autumn statement. Those numbers were set out in the spending review, but there are some priorities that we need to adjust.

Q446 **Chris Loder:** So at this moment in time we are not able to indicate when we will see the RNEP coming forward or confirmed?

Mark Harper: No. It is our intention to publish it when we have reached conclusions, but we are working that through following the autumn statement.

Q447 **Chris Loder:** I will move on to the next section: disruption on the railways. Secretary of State, your predecessor sent Members of Parliament a letter on 20 October, outlining the Transport Strikes (Minimum Service Levels) Bill and its intentions. Could you tell us when we can expect the Second Reading of that Bill?

Mark Harper: As you will know from the way that letter was set out, the Bill has been introduced in Parliament. It has not yet had a Second Reading. I cannot give the Committee a specific timeframe on that. I would just say, as I have said publicly, that legislation may well lead to an improvement in the medium to long term.

But of course that legislation, however quickly it is progressed, given that it has to go through both the House of Commons and House of Lords, is not a solution to dealing with the industrial action we see at the moment. The other thing I would say is that while that legislation may well improve the service that passengers receive on strike days, my priority is to try to ensure we resolve the industrial dispute, so that passengers don't have strike days. That is how you get better service to passengers. You resolve the disputes, rather than have a slightly better service on strike days.

Chris Loder: I should declare that I am a former member of the RMT and a former employee of the railways. I apologise for not doing that before.

Chair: Duly accepted, and you are admonished.

Q448 **Chris Loder:** Are you then saying that the legislation has little value at all? If it is not going to affect the situation today, and particularly the coming weeks when we will see considerable strike action, is the Bill actually valuable?

Mark Harper: Both those things are true, but there are two things to say. The Bill absolutely may well contribute value in future, but it is going to



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have to go through Parliament, and if you look at the way the Bill is drafted, there has to be some agreement and secondary legislation. Quite a bit of work has to take place even when the Bill is on the statute book. It is clearly not going to be something that is going to help with the industrial action that we face today.

As I set out in my opening statement, I felt it important to meet with the trade union leaders and try to help facilitate, working with the Rail Minister, better talks with both sides—the employers and the unions—to try to get us to a resolution of the present industrial dispute, being conscious that it is going to lead to terrible inconvenience for passengers.

Q449 Chris Loder: There are many millions of people who are adversely affected by these strikes. We have here in Parliament, when necessary, pushed through legislation quite quickly. It can be done. Is it no longer the Government's intention to push this through rapidly? Are they reconsidering it?

Mark Harper: You are right. Usually with legislation that is pushed through rapidly, it has to be pushed through when there is cross-party agreement on the legislation. That, I don't think, is the case here. It is my firm intention to get to a position where we can resolve the industrial dispute.

You are absolutely right. It is going to cause enormous inconvenience for passengers, particularly over Christmas. It is also going to create tremendous inconvenience for many businesses. I am very conscious, for example, of the hospitality industry, which has suffered in the last couple of Christmas periods because of covid. This was going to be the first Christmas period that is very busy for the industry and that they could trade normally in. I am very disappointed that they are going to be damaged.

I call on the unions even at this stage to call off those strikes for Christmas. All I am saying is that the legislation is not going to be a solution to the industrial dispute today.

Q450 Chris Loder: I will get a kicking for time, but I want to ask you one final question. You met with the unions only last week and the RMT particularly has continued to call for more strikes. Is there real value in the meetings you have with union leaders if they are just going to continue to call for strike action?

Mark Harper: I always think it is better to keep talking than not talking. It is always good to have those channels of communication. I found the meetings to be constructive. I think the Government did what we said we were going to do. We said we would help facilitate communication between unions and employers, and following my meeting the employers made a revised offer. It involves a reasonable, fair pay settlement and protection against compulsory redundancies for a period, but it does insist on necessary workforce reform. I think most people would think that is fair.



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One trade union is putting the Network Rail deal to its members with the recommendation to accept. That is what I would hope the RMT would do, even at this stage, looking at the inconvenience they are going to cause to passengers and businesses. I think keeping talking and keeping channels of communication open is a good thing, rather than the opposite.

Q451 **Chris Loder:** Just before I hand over to Jack Brereton to ask you about some of the issues in the north, it is our understanding that the Department offered derogations, which were taken, to Southeastern and South Western Railway about their timetable changes. Could you tell us why that is, and whether those derogations will continue?

Mark Harper: I think the derogation you are talking about is about whether there was consultation about the timetables. I will ask the Permanent Secretary to comment on that as that decision was taken before I was in the Department.

Dame Bernadette Kelly: Previous Ministers concluded that some timetable changes should not be formally consulted on, so your question is accurate.

Q452 **Chris Loder:** Will that continue? Will you continue to change the timetables without consultation?

Dame Bernadette Kelly: That will be a matter for the current Ministers.

Mark Harper: You specifically referred to the past decision. Going forward, I will make decisions on that based on all the circumstances on a case-by-case basis. It will depend.

Q453 **Chair:** Before we come to Jack, I will turn to Grahame, but before that I have two quick-fire questions for you. Your predecessor told us that you planned to review and consult on ticket offices imminently. Is that still the Department's plan?

Mark Harper: It is still the case that we are looking at the way ticket offices operate. Part of the discussions with the trade unions is about reforming the way they work. Only about 12% of ticket purchases are done in ticket offices.

One of the frustrations is that the staff who are in those ticket offices are not able to be used front of house to serve passengers. One of the things the employers are talking to unions about is retraining those staff so they can come out of the ticket offices and provide services to customers.

Q454 **Chair:** I get where you are coming from, Secretary of State, but 12% is still one eighth of the population. It might be the elderly population, who like dealing in cash.

Mark Harper: Yes, it is. We absolutely want to make sure those people who want to deal in cash and need to engage physically with purchasing tickets are still able to do that, but clearly you don't want to put as much resource into ticket offices and tying staff to purely working in a ticket office when you have seen the number of tickets being purchased going



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down from a third to just over 10%. You need workforce reform. It is about delivering a better experience to passengers. We are making sure those staff are able to work flexibly so they can sell tickets when that is required and assist customers in stations—particularly vulnerable and disabled customers, who need other sorts of assistance.

Q455 Chair: You have referred to the fact that we would all like to see the intended industrial action over the Christmas period not take place, but what consideration have you given to deferring any planned Christmas engineering works?

Mark Harper: One of the things that Network Rail is now looking at, given the strikes that were called by the RMT on Network Rail, is the extent to which the £120 million-worth of essential maintenance work is affected. Even though that may not impact passenger services, it will absolutely affect the reliability of the railway.

I recognise that it sometimes causes inconvenience to people at Christmas, but it is done then because that is the least busy time. If that work isn't done at the Christmas period, it will have to be done at other times of the year, which will cause more inconvenience to passengers. Network Rail is working through what changes may have to take place with its engineering work in response to the strike action that has been called by the RMT.

Chair: We have a number of questions and lots more to get thorough, so I am going to move on to Grahame Morris.

Q456 Grahame Morris: Good morning, Secretary of State and the panel. I have a couple of questions about the rail dispute and a couple of observations.

On your comments about the proposed Transport Strikes (Minimum Service Levels) Bill, which will be hugely controversial—I don't think anyone is any doubt that it will completely sour industrial relations at a time when we are trying to build a settlement—how is there time for that controversial piece of legislation, which is being driven by your Department, but not to deal with a number of issues identified by my colleagues, such as pavement parking, the regulation of e-scooters, autonomous vehicles and so on?

There is cross-party agreement that we need to crack on with those issues, so it seems slightly perverse that we can find time for a hugely controversial piece of legislation but not for other things.

Mark Harper: I will say a couple of things. First of all, Mr Morris, you have confirmed what I was implying in my answer to Mr Loder, which is that taking the minimum service levels legislation forward rapidly would not be possible, since there would not be cross-party agreement, which we need if we are going to—

Mr Bradshaw: Could we have shorter answers without repetition? That would be really helpful, because we have a lot to get through.



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Mark Harper: Yes, of course. It is a balance, Mr Bradshaw; I am trying to give full answers, but if you wish me to move at a greater pace, I am very happy to do so.

Mr Bradshaw: You do not need to repeat things you have already said.

Mark Harper: I welcome that. On the issue about balancing these things off, that legislation has already been introduced in this Session. I think my predecessor confirmed that the wider transport Bill would not be taking place this Session, and I made it clear in answer to an earlier question that it has a range of things in it that are priorities for me, but I need to make that case with colleagues in government.

Q457 **Grahame Morris:** I understand; you did explain that earlier, and I appreciate that. Can I ask particularly about the rail dispute? I support your philosophy of continuing to talk, and I am heartened by the fact that the rail freight operating companies, the Scottish Government, the Welsh Government and the open access train operating companies have all reached settlements with the rail unions, so it must be possible—it is not an impossible task to achieve a settlement. But they have not placed preconditions in relation to ticket office closures or the acceptance of driver-only operated trains. Is there any prospect of continuing the talks to secure such a settlement if those preconditions are attached?

Mark Harper: I do not want to get too far into specific details, because it is important that negotiations take place between the employers and the unions, and I think both sides accept that. On the overall stance, it is important that this is not just a dispute about pay; it is a dispute also about modernising the railway and having workforce reform.

As I said in my opening statement, in order for the railways to have a sustainable future, we have to see reform in the way they operate. It is not going to be sustainable for the taxpayer to continue to put in the sums they have put in without seeing that reform. It is the reform that generates the savings that help fund the pay rise, and both those things are part of the debate, but keeping talking is very valuable.

Q458 **Grahame Morris:** I am sure the trade unions appreciate that. In the first job I ever had—even before my colleague Chris Loder was a twinkle—I was a member of the National Union of Railwaymen, before it was the RMT. I know that over a long period of time, they have accepted changes, modernisation, reforms and so on.

In our Committee's inquiry on access for disabled people, we have heard concerns about how the closure of ticket offices, stations without staff and driver-only operated trains squares with our commitment under the Equality and Human Rights Commission requirements to ensure that disabled, elderly and vulnerable people can access the railways. Is that not a factor in your negotiations? Is a more gradual approach not more likely to be beneficial, because we will have to address those legal considerations, will we not?

Mark Harper: On the general point, I do want to make sure the railways are very accessible. You may well know that in my ministerial history, I



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was the Minister for Disabled People. I take this very seriously. It is one of the reasons why, in setting out portfolios for my ministerial team, I have made sure everyone has a responsibility to deliver accessible transport. All the Government have said is that we need to see that reform. The detail of that reform—how you deliver it, the timescale over which you deliver it, the flexibility of the staff and making sure there is proper service for customers—is very important. That is why the detail needs to be hammered out between the employers—the train operating companies—and the unions, but I think the principle of reform is very valuable.

In answer to the question on ticket offices, I made the point that you do not want people tied to sitting behind a desk, not serving many customers. I want them to also be able to serve customers in a station. The detail of how that works is for the unions and the employers to hammer out between them, which is why I want to see them continuing to talk, to reach an agreement that the unions can recommend to their members.

Q459 Grahame Morris: I just want to refer to an article in today's *Daily Telegraph*—I must confess that I am not a *Telegraph* reader—that suggests that the Treasury or No. 10 are insisting on the precondition of the unions accepting driver-only operation before the negotiations can move forward. I do not know what the timeframe is or whether that is just in principle. Are you in a position to confirm or deny that that report is correct?

Mark Harper: I have not seen the report, so I cannot really comment on it. On the specific point about driver-only operation, we have obviously seen that on quite a significant part of the railway already, so I do not think there is an in-principle objection to it. I know that it is controversial, but it exists on the railways already.

In terms of what I want to see, I want the two sides to continue talking. I was asked to facilitate an improved offer. It was made clear to me when I met Mr Lynch that, on the train operating side, there had not been an offer. There now has been an offer. I would urge the two sides to continue talking and the unions to call off the strikes. I think that is the right thing for passengers and also the right thing for the rail industry.

Mr Bradshaw: We have heard that message countless times. There was a front-page splash in *The Daily Telegraph* on Monday that alleged that No.10 had intervened to put driver-only trains on the table.

Chair: Ben—wait.

Mr Bradshaw: Excuse me, Chair. This is really important. The Secretary of State is getting away without answering the question.

Chair: It is important, but let's do it in the order that we had in place.

Mr Bradshaw: You said that I was coming after Grahame.

Chair: Jack has been waiting very patiently to ask questions.



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Mr Bradshaw: Well, I will come back in after. Do you want to come in now or after, Jack?

Chair: Secretary of State, will you answer it? We will then move to Jack.

Q460 **Mr Bradshaw:** You cannot claim that you did not see the splash on Monday in *The Daily Telegraph* claiming that No. 10, at the last minute, has added driver-only trains as an issue to the dispute. Was that report incorrect?

Mark Harper: Mr Morris asked me a question about a report today, which I have not seen. I was specifically—

Q461 **Mr Bradshaw:** It was on Monday. Secretary of State, did you not see this report? Is it true?

Mark Harper: I have been very clear. I was asked to facilitate a new offer—

Q462 **Mr Bradshaw:** Has the issue of driver-only trains been introduced by No. 10 or the Treasury at the last minute? It was not on the table before.

Mark Harper: On reform, we are very clear that we need to see—

Mr Bradshaw: No. Answer the question.

Mark Harper: We are very clear that we need to see reform—

Mr Bradshaw: Answer the question.

Mark Harper: On the specifics about detail, detailed negotiations are taking place between employers and trade unions. It is not the Government's role to micromanage the detail of the reform, but we have been clear that we do need to see workforce reform—

Q463 **Mr Bradshaw:** Train operators and the unions both say that this issue has been inserted in the last week by No. 10 or the Treasury, which has scuppered a deal that was on the table. That is what both the train operators and the unions have told us.

Mark Harper: On that point about scuppering a deal that was already on the table, when I met Mr Lynch, he made it very clear to me that he had not had an offer on the train operating side of the house. There had been an offer on Network Rail. I met the trade unions and was asked to facilitate an improvement. We then saw—

Q464 **Mr Bradshaw:** That wasn't my question. You are not answering the question.

Mark Harper: Well, I am telling you what has been going on. There was then an improved offer to the unions from Network Rail, and an offer then came on the train operating side of the house that the unions could consider. I regret that they rejected that offer. I think it would have been better if they had continued talking to try to hammer out some detail.

Q465 **Mr Bradshaw:** If you will not answer the question, why do you think that



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Scotland and Wales have settled?

Mark Harper: There have not been preconditions. Yes, there needs to be reform—I have been very clear that you have to have reform to drive the savings—and I am telling you what is going on. I am not going to provide a running commentary on things that newspapers set out.

Q466 **Mr Bradshaw:** You are avoiding the question. The public want to know what is going on here. They have a right to know if No. 10 intervened to stop a deal by adding driver-only trains at the last minute, which is what the companies—not the unions—say happened.

Mark Harper: No one is trying to stop a deal; quite the reverse. I met with the trade unions, and I felt that that conversation was important. Actually, we then saw an improved deal coming on both sides—for both the train operating companies and Network Rail. We are trying to reach a deal here; it is the trade unions—the RMT—who have rejected it. I think that is regrettable. I have said that it is very disappointing from the point of view of passengers. I am very clear: I want to see a deal reached. I think we have made a fair—

Q467 **Mr Bradshaw:** You could have avoided the Christmas chaos. No.10 have now guaranteed Christmas chaos, haven't they?

Chair: Let the Secretary of State finish, and then we are moving on.

Mr Bradshaw: He's not even answering the question.

Chair: Ben, everybody can watch and the record will show that you have asked your questions and the Secretary of State has answered them.

Mark Harper: I am answering the—

Mr Bradshaw: The public will have seen that you haven't answered the question.

Mark Harper: I am answering the question. You might not like the answer, but there is a fair and reasonable offer on the table and I think it is regrettable that the RMT is going ahead with strikes rather than putting that offer to its members.

Mr Bradshaw: Shameful!

Chair: Ben—thank you. Secretary of State, we are moving on, although a little bit behind time. Jack, thank you very much for your patience. The floor is yours.

Q468 **Jack Breerton:** Thank you, Chair.

First, why is it that rail services are particularly bad in the north and parts of the midlands?

Mark Harper: The reason for the recent downturn in performance is largely—not entirely—to do with two issues, I think. Partly there has been a driver shortage, which occurred as a result of the pandemic and the fact that there was a lack of driver training. That has been one of the causes.



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The Department has worked closely with the train operating companies to get those drivers trained; we have seen a significant increase in driver availability, which has improved matters.

The other issue—this comes back to the need for workforce reform—is that too much of the timetable is dependent on what is called rest day working: when drivers have to volunteer to work on rest days to deliver a timetable. That means that the railway is not very sustainable. If those drivers stop working on those rest days, you end up with trains being cancelled at the last minute and a very flaky and unreliable service. That is what we have seen on both TransPennine Express and Avanti West Coast, and it is not acceptable.

One of the things that we are expecting Avanti to do with their new December timetable, which kicks in on 11 December, is to offer a very significant increase in service. The only tragedy for passengers—I heard this loud and clear when I met northern Mayors last week—is that because of the industrial action, passengers are not going to see the benefit of that improved timetable, which would have more services more reliably delivered, because almost as soon as it kicks in there is going to be a set of national industrial action. That is another reason why I hope it stops.

Part of the reason why we need workforce reform is to get rid of this reliance on rest-day working and to have a proper seven-day railway so that we have a reliable service for all those who need one—whether to get to work, see members of their family or do all the important things they have to do. That would help secure the long-term future of the railway.

Q469 Jack Brereton: As you have suggested, Avanti are proposing to increase the number of their trains every day from 180 to 264. Do you have any confidence that they will be able to actually run those trains?

Mark Harper: I will try to keep Mr Bradshaw happy by not repeating myself. Putting aside industrial action, if industrial action was not taking place, I do think they would be able to deliver that. There has been a significant number of new drivers, and I think they are able to deliver that timetable.

Q470 Jack Brereton: The reason I ask is that when I asked this previously I was promised, in October, that with the September changes to the timetable we would see near enough a return of full services. That failed to materialise. We have been here and seen this before, haven't we? Why should we now assume from December timetable changes that we are actually going to see all these trains being restored?

Mark Harper: Let me answer that first, then I may ask Bernadette to comment on the previous implementation. We have been working very closely with the company to test the drivers they have available and whether we think they have the robustness to deliver that timetable. We think they can.

I am clear that I want to hold Avanti to account to deliver the services they promised for passengers. One of the difficulties is that I can hold



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them to account for the things that they can control, but the thing that will stop me being able to do that is the industrial action. If they do not deliver that timetable, they will perfectly reasonably be able to turn round and point to the industrial action.

I want a period where we do not have industrial action and we can hold them to account. They have made some clear commitments. We think they can deliver those and I want to see them deliver them for passengers. But they are clearly not going to deliver those commitments if, two days after they roll out the new timetable, we see four days of industrial action. Bernadette, do you want to comment on Mr Brereton's perfectly reasonable point about the September timetable?

Dame Bernadette Kelly: Indeed. In fairness, we are stress-testing these plans, recognising that over-promising and under-delivering only exacerbates the frustrations that passengers and people feel about services. A lot more work has been done to deal with the backlog of driver training and to reduce the reliance on rest day working, which is why we believe this should now be a more deliverable proposition. I think lessons have been learned by the company, and my Department is certainly working with the company to ensure that that is the case.

As the Secretary of State rightly says, industrial action will prevent those service levels from being delivered. There is also an ongoing issue, which I know the company is working hard with ASLEF on, to ensure that ASLEF is co-operating on rosters as well—it is also dependent upon that—but, as I say, my Department has certainly been working with Avanti to make sure that this new timetable is one that they can effectively deliver.

Q471 **Jack Brereton:** On Avanti services, the number of trains on time is less than half. The previous Secretary of State did not take the contract off Avanti. Do you think that decision was a mistake?

Mark Harper: I have had quite strong opinions expressed to me, by colleagues in Parliament and also when I met the northern Mayors last week, about what they think should happen to the contract; I asked them, for example, to write to me, to set out their views with the evidence.

I am focused on delivering better services for passengers. Decisions will be taken in due course about what happens to the contract, but I think at the moment, the best thing we can do is to try to get them to deliver against their promises. As I say, we have been stress-testing and kicking the tyres on their promises—the reduced reliance on rest day working, the increased number of drivers—so we think they can deliver these promises. The proof of the pudding will be in the eating—but it is going to be disrupted by the industrial action.

I am very focused. I have heard from colleagues who use that service. I have heard from members of the public. I have heard from others who are engaged with it. It is of course worth saying that the regime that these companies get paid under—there is a small amount that is a fixed fee, but a bigger amount is based on their performance, and that is independently



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assessed, and that determines how much money they earn from the contract. So the company is very well aware that if they do not deliver, that will impact the amount of money that they receive from the taxpayer.

Q472 **Jack Brereton:** And are you looking at potential financial penalties on Avanti and on TransPennine?

Mark Harper: The way the contract is set up, half a percent, is a fixed fee, but 1.5% of the fee is based on their performance and that is independently assessed, so if they don't deliver the things they say they are going to deliver, that will materially impact the fee they get from the Department for running those services. They are very well aware of that, and I am very well aware that the service at the moment is simply not acceptable for customers, who aren't able to rely on it. I am very clear: if we are going to have a long-term future for the railway, we need a reliable service that passengers can count on, in every part of the country.

Q473 **Jack Brereton:** Many passengers have been impacted by very short-term changes as well—less than 48 hours for timetable changes, or tickets not being available for sale at all in some cases. Have you looked at the wider implications—the social and economic implications of those short-term decisions—and how significant the impacts have been on passengers?

Mark Harper: Yes, I have, and I am very conscious of that. I have listened to many of the stories about how people have been impacted. Not having a reliable service, and having trains cancelled at short notice when people then can't change their journeys very easily, has a massive impact on people's ability to go to work, attend important appointments, attend education. It impacts a lot on businesses as well, and people being able to travel to large events, for example.

That point was made very strongly to me when I met the northern Mayors last week—they made a very strong point about the impact on their regional economy, which is why I think it is very important that we get those services being delivered as they should be and as promised.

Q474 **Jack Brereton:** Ben and I hosted the ORR yesterday for a briefing with parliamentarians. The ORR has raised quite a lot of concerns about Network Rail's performance as well. Every region of Network Rail has been performing worse than it did previously, in terms of the delays it is causing to the rail industry. What are you doing to ensure that Network Rail is performing and addressing the issues that we are seeing?

Mark Harper: One of the issues, of course, is to try and get Network Rail and the train operating companies to work more closely together. Going back to my answer to Mr Loder, part of what we are doing is trying to get those two parts of the industry to work more closely together.

I am very conscious that we need to reduce the impact. That is part of the reason why it is going to be disappointing that we do not get as much of the maintenance work done over the Christmas period, because you need to do it when the railways are less busy so you have a more reliable railway. One of the things I took into account when we signed off the high-



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level output specification and the periodic review budget that we just signed off was to make sure we continue investing in today's railway to keep up the quality and performance of the network, as well as investing in new railways. That is one of the things that I will keep a continuing focus on. I do not know whether the Permanent Secretary wants to add anything.

Q475 **Chair:** I am just going to interrupt as you are asking your colleague, Secretary of State. I am conscious that it has gone half-past 10 and we are still on rail. We have a lot to get through, so brevity in answers and colleagues, particularly, brevity in questions, please, as we move forward.

Dame Bernadette Kelly: I do not have a great deal to add to what the Secretary of State said. I certainly would emphasise that I am not sure what the particular issues around performance were that the ORR was raising with you and colleagues yesterday.

Q476 **Jack Brereton:** It has stated very clearly that in its latest figures, every single one of the five regions of Network Rail are performing worse than they were, and that is having an impact on the delays of services.

Dame Bernadette Kelly: That is the normal maintenance and renewal type of activity. The first thing I would say is that there has been an absolute transformation already in the way that Network Rail works with operators over recent years. That is continuing. I can certainly remember when I was first involved in rail, Network Rail and operators were often warring factions and I think there is now enormous co-operation and joint planning of things such as works to minimise disruption. Generally speaking, NR performs very much better than it has historically in those areas.

Obviously, where there is a deterioration in performance, we expect the ORR to hold them to account and we in the Department will hold them to account too. Clearly, NR itself has also been impacted by industrial action that will not have improved performance in recent months.

Q477 **Jack Brereton:** What are you doing to try and get Network Rail to work more collaboratively with local partners and other organisations? As the Secretary of State knows, we have seen some serious problems with trying to deliver our Transforming Cities fund investment in Stoke-on-Trent. What are you doing to make sure that Network Rail is obliged to work with local authorities and other local key stakeholders to deliver the public transport improvements that we need to see?

Dame Bernadette Kelly: The regional structure that Network Rail now has was precisely introduced to ensure that there is that much more effective working. It is true that, historically, NR was a sort of national monolith and I know that local stakeholders used to find it very frustrating engaging with NR.

Q478 **Jack Brereton:** I think they still are.



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Dame Bernadette Kelly: It may not be perfect and I am sure that there is always room for improvement. However, the regional structure now is absolutely designed to ensure that the focus of the leadership team with NR is absolutely on building that closer engagement with local stakeholders, partners and operators, and also thinking about those wider questions, as you rightly say, about integration with other forms of transport.

Some very significant steps and improvements have been made in recent years, but I do not think that if Andrew Haines were here he would claim that there is no room for further improvement.

Q479 **Jack Brereton:** I want to move on now to discuss a bit about rail infrastructure, particularly around Northern Powerhouse Rail and the proposals for that. Option one was selected by the Government, but it is Transport for the North's least-preferred option. Why has option one been selected by the Government?

Mark Harper: In the commitment we have made to Northern Powerhouse Rail, the core network remains as it was set out in the Integrated Rail Plan; this was one of the first sets of questions I got asked when I was appointed to the role. The Chancellor has confirmed that we are committed to delivering the core Northern Powerhouse Rail network. Clearly, as I have already found in this job, there are lots of people with views about how we do that and exactly how we lay it out.

One of the conversations I had last week with northern Mayors was about the range of views on how we take on the further stages; we continue to listen to them. The Government remain committed to delivering the core Northern Powerhouse Rail network, as set out in the Integrated Rail Plan.

Q480 **Jack Brereton:** Are you still undertaking work to reappraise options for Northern Powerhouse Rail?

Mark Harper: We have set out what we plan to do and there are things we will continue to look at. The Prime Minister made some commitments about delivering high-speed services to Bradford, and we will continue to look at how we do that. There are still things we are looking at, but the core network is a commitment that we have set out in the Integrated Rail Plan, and that remains our commitment.

Q481 **Jack Brereton:** Have you not got a firm option yet?

Dame Bernadette Kelly: I think your question was about why the proposals in the Integrated Rail Plan were chosen, which predates the Secretary of State.

Q482 **Jack Brereton:** We are trying to understand whether you are still focused on the option that you put forward as the proposal through the Integrated Rail Plan. Is that now the option or is work underway to reappraise that and look at alternatives?

Dame Bernadette Kelly: As the Secretary of State has said, it is still the same core plan. I know connectivity to Bradford is something that he



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wants to look at, and the Prime Minister has indicated that he wishes to do that, but there is not now a reopening of the core elements of the Integrated Rail Plan. Obviously, in putting that plan together, the previous Government was balancing a need and desire to make a very significant and transformational investment in rail in the north with the broader demands of affordability. That is what the plan does.

You may recall that it is a £96.4 billion plan. The National Infrastructure Commission calculated that if the Government had done everything that all stakeholders had asked for, including Transport for the North, it would have been a £185 billion plan. Obviously, that was judged to be unaffordable, so it is a balance between a commitment to transformational investment and needing to take a realistic view of what is affordable in the long term.

Q483 Jack Brereton: The development of HS2 means there will be increasing focus. Obviously, the eastern leg has changed plans and there will be an increasing reliance on services running on the existing network—the classic network. What are you doing to ensure the investment that is needed in the classic network to facilitate the HS2 trains is made? For example, at Leeds and in my own area of Stoke-on-Trent we need investment in the classic network. What are you doing to make sure that Network Rail is putting forward that investment to facilitate HS2 services?

Mark Harper: Two things. Mr Loder talked about the RNEP plan. It is worth saying that the bulk of investment in the non-HS2 rail network—the capital spending—will take place outside London and the south-east, so there has been a rebalancing of where we spend our rail capital investment that is not HS2, in order to spread that more fairly across the whole country. There will be a very significant investment in the north of England.

We are clear that we look at HS2 and Network Rail's plans together, to make sure that they interact properly. As I said, the core network is what we have set out in the Integrated Rail Plan, and that remains the Government's position. And yes, I know there are many people who would have liked us to settle on different plans, but it is about balancing the investment. That is worth saying, as a lot of focus goes on the things that we are not doing and things that people did not get.

As I said at the beginning, we are maintaining our £20 billion investment in capital on transport, which is a significant piece of investment. The Government are maintaining their investment in infrastructure, so I continue to argue that there is a significant driver of economic growth and a significant commitment to all parts of the UK from this Government on transport.

Q484 Jack Brereton: My final question relates to that; it is about the methodology used to assess projects. A lot of concerns have been raised about the methodology previously, including about how it is able to fully capture benefits and potential for growth, particularly in areas where levelling up is more important. Are you concerned and do you think that



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the Department has still got this right in terms of the methodology being used and that this will deliver on the Government's levelling-up aspirations?

Mark Harper: You are right to highlight the Government's levelling-up aspirations. One of the reasons why we are committed to the core Northern Powerhouse Rail network is exactly to join up the cities of the north to get those agglomeration benefits.

The Department has, from my experience of it so far, a very good team of analysts, who try to pull all this information together to weigh up and balance all these projects. You can do a lot of that. To some extent, you always have to put some judgment in it, and the Government will have some strategic priorities.

It has to take all the analytical work, all of the attemptable and all these things down to numbers, but there is some judgment involved about what our strategic priorities are, so you have to weigh up those things. That is why decisions are taken by Ministers, because you have a lot of data but, ultimately, there is some strategic judgment to take as well.

Dame Bernadette Kelly: May I add a word on this? I know the Department's analytical modelling and our transport appraisal methodology are often challenged. We are constantly seeking to improve and evaluate. I think it is actually a very good analytical set of tools. It is very important, and it is something we value and put a lot of effort into at the Department. We are constantly seeking to improve.

Already within our modelling, we are very conscious, and we explicitly identify the fact, that there will always be wider impacts that cannot be quantified, and that is very much a part of our decision-making process: to acknowledge and recognise those wider impacts. As the Secretary of State has indicated, what the Government are now doing is putting more weight on the strategic case, alongside a standard business case, in making decisions about these investments. Particularly for these very large, long-term and transformational investments, that is an important evolution of how we think about these things.

Chair: Before I go to Greg Smith, who is asking the next round of questions, I just want to warn the witnesses that if you answer a question in an elongated fashion, I will cut you off and ask your questioner to ask the next question. Is that okay? We have a lot to get through.

Q485 **Greg Smith:** Secretary of State, the autumn statement made a big commitment on East West Rail. What is your understanding of what that actually means? Is that the whole project as it was originally conceived, including the Aylesbury Spur, or just Oxford through to Cambridge?

Mark Harper: The overall commitment the Chancellor made was to set a clear impression, given that he had confirmed the overall spending, that the Government were still committed to that project. He set out subsequently that that is the whole line from Oxford to Cambridge.



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On your specific question, I will ask the Permanent Secretary to comment or I am afraid I will have to write to you on the detail. I recognise the complexity of these things and the planning implications, and I do not want to get them wrong. Do you want to add anything, Bernadette?

Dame Bernadette Kelly: I think it is safer to write.

Q486 **Greg Smith:** Is it still the intention to launch the first part of East West Rail, which is very nearly built, on diesel-only rolling stock?

Mark Harper: I do not know the answer to that question.

Dame Bernadette Kelly: We are still looking at the questions of diesel and electrification in relation to East West Rail, and there are quite a number of decisions yet to be taken on how that will work.

Q487 **Greg Smith:** The question is less about electrification—I think the ship has sailed on that because most of it is built; it is more about whether it will be bimodal, hydrogen or whatever else because, as it stands, with big net zero commitments and the length of life of rolling stock, my understanding is that it is the plan to launch with diesel. That cannot be a sensible decision, can it?

Dame Bernadette Kelly: That would be stage 1 from Bletchley to Milton Keynes, I guess, where we are obviously much more advanced, and the construction is already underway. Let me check with you exactly what the rolling stock expectation is for that section. Clearly, the later stages through to Cambridge are at a much earlier stage of development and the questions about the rolling stock will also be at a much earlier stage of development.

Q488 **Greg Smith:** Perhaps more broadly, East West Rail from Oxford to Bletchley has brought an old railway back to life. Beyond Bletchley is a new cutting. Before any work is done on starting beyond Bletchley towards Cambridge, will you do a full review of the lessons, particularly the impacts on communities along the line of route, especially businesses, to understand what has gone wrong in the construction of the first part?

Dame Bernadette Kelly: We will always listen very carefully to lessons; it is a constant part of our project delivery to re-evaluate and learn lessons as we go. I would be very interested in following up with Mr Smith exactly the problems that he and local businesses have experienced in talking to East West Rail about those. All the lessons from stage 1 we will want to fully process and ensure we take into account in later stages.

Q489 **Greg Smith:** Thank you. That is all I have on rail.

I want to turn to roads, particularly passenger vehicles at the moment. Again, in the autumn statement we saw fairness come back in the way all vehicle types are taxed, with electric vehicles no longer getting a freebie. Did the Department for Transport feed into that, or was that wholly a Treasury decision?



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Mark Harper: First, as you know, tax measures are matters for the Chancellor, and I am not going to trespass on those. I think the implementation of vehicle excise duty is very sensible. I do not think it makes a significant difference to purchasing decisions, but it clearly answers one question about vehicle excise duty being available, and that is important for the revenue that we then get for investment in roads, so that is a welcome decision. But, as you know, tax matters are matters for the Chancellor.

Q490 **Greg Smith:** My question was more whether the DfT fed into that process at all. Within that, perhaps I could ask about the extent to which you believe the roads budget for building new roads, improving our existing roads, and getting money to councils to manage the roads they run, will go up as a result of more vehicles paying vehicle excise duty.

Mark Harper: As I said in answer to the question earlier on the autumn statement, I am very pleased that we got our spending review budgets confirmed.

One of the things I am doing at the moment is looking at the balance of spending between capital on rail and roads. I am very conscious, as I said earlier, that the majority of journeys are undertaken on roads, and I want to make sure we invest in our road network—both the strategic network and what we provide for local roads—to make sure we can keep the country moving in terms of passenger vehicles and also freight.

Q491 **Greg Smith:** That is helpful. Do you think, looking at the dynamic again between incentives that were previously offered for people to buy EVs, that we are still on track for the 2030 ban on new petrol and diesel?

Mark Harper: I do. As you know, part of the challenge about how you deploy public money is to do it in a way that gets us to a model where the private sector can take over. The initial incentives that we put in place for electric vehicles have done their work, and we have seen a significant uptake in electric vehicles as far as passenger cars are concerned.

One thing the Department has also got to do is look at how we accelerate or deal with the gaps for rolling out charging. There is a lot of private investment going into charging, and there are some areas where the Department will put public money in to make sure that we can continue rolling that out. But, yes, I think we are on track.

Q492 **Greg Smith:** How much is the Department looking at other emerging technologies—hydrogen, direct hydrogen combustion, hydrogen fuel cells, synthetic fuels—on top of EVs?

Mark Harper: I think I am right in saying that the Department has always been technology neutral. The objective is to get to our net zero objectives, but we are not wedded to particular technologies. Gareth said in one of his earlier answers, when we were talking about the regulatory regime, that we want to incentivise companies to look at all those things. Exactly what the share of those will be, going forward, will depend on the development



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of the technology and the private investment, but we have a technology neutral approach.

I have already picked up, in the time I have been doing this job, that for different roles and different sorts of vehicles there might be different technology solutions, and we are very much encouraging all of those. Do you have anything to add, Gareth?

Gareth Davies: It is fair to say that, on cars, it does feel like the momentum is with electric. You have seen that on the back of what Tesla have done, and certainly in the number of new car sales. As of November, 20% are now plug-in, so you can see where the momentum is going. Demand is not an issue; we have taken away some of the financial incentives. The constraints are more on the supply side, with the global disruption in supply chains, particularly around chips.

Vans, similarly, look to be moving towards electric. There is still a big debate in trucks, particularly those over 26 tonnes—will it be hydrogen fuel cells? I was recently with Scania, which has some very impressive electric trucks at very large scale, so you can see options there. We have a series of trials running, both of hydrogen and of overhead gantries and batteries, to understand how that will fit in with the wider logistics sectors.

There is much more debate in maritime and aviation. With maritime, there was an interesting study published at COP26 that showed that for countries and shipping companies around the world, it is still a mix of ammonia, hydrogen and potentially even nuclear.

On aviation, sustainable aviation fuels—you mentioned synthetic fuels—are very much seen as a core technology; I was going to call it a bridging technology, but it is 30 years at least, given the asset cycles. There is a question about the role of hydrogen and quite how long that will go. On battery planes, I mentioned people like Vertical Aerospace before, who are very interesting on more short-haul routes or for the UK domestic scene.

Q493 **Greg Smith:** That is very interesting. I do want to keep specifically to passenger cars, just for a couple more quick questions.

There is a lot of focus in the EV market on the new sales from 2030. How much thought is being put into how we keep all the other cars that are on the road—potentially up to 30 million of them—running beyond 2030, potentially in a greener way? That really does bring me back to the synthetic fuel point. How big of a priority is it to keep those cars on the road, rather than see mass scrappage schemes or things that will inevitably involve taxpayer subsidy to help people move on?

Mark Harper: Clearly, the legislative priority is new vehicles. You are right: certainly from a carbon point of view, you have to balance those capital assets that have already been produced. You do not want them all being scrapped too soon, because that is not great from a carbon emissions point of view either. I have spent most of my time so far looking at the EV roll-out for new vehicles; I do not know whether Gareth wants to add anything. Otherwise, we will write to you.



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Gareth Davies: My main point would be that we are conscious of the embedded carbon in the vehicle stock on the road. Obviously, there is a focus on emissions at the tailpipe, particularly for air quality reasons as well, but we are also looking at how we manage the overall stock to ensure maintenance and improve efficiency in the medium term.

Q494 **Greg Smith:** The last area I want to talk about on roads is smart motorways. These have been a controversial subject for some years now; it was this Committee's recommendations that led to one of your predecessors pausing the new roll-out, but just last month we had a seven-hour outage on stopped vehicle detection.

Coming into what appears to be strike season, there have been media reports that the human beings who monitor the technology for stopped vehicle detection may well be on the strikers list. Should we just go a bit further and restore hard shoulders on all these roads until we can be confident that the technology actually works? Secretary of State, coming into the role fresh, what is your approach to smart motorways?

Mark Harper: First, it is worth saying that the Committee did a very good job on the work that it did. It was certainly stuff that I paid attention to before I came into this role. I think the commitment that my predecessors made still stands, which is about pausing the roll-out of the various types of smart motorways until we have collected a larger series of data. That position has not changed; I think that is a position I am comfortable with maintaining.

On your specific point, I will set out what I think the position is, and no doubt Bernadette will correct me. On National Highways staff—those involved in monitoring all of our road network—you are right that strikes have been announced. I think the number of staff in National Highways who are members of the trade union that may well be striking is relatively small, and one of the things the Department is very experienced in is managing those operational issues and focusing resources on the most important areas. So I don't think we are anticipating any significant issues, from a road safety perspective, as a result of any of the strike days that have been announced. Have I got that—

Dame Bernadette Kelly: That is exactly right. About 11% of National Highways staff are members of PCS, which is the striking union; about half of those voted for strike action. So National Highways is not expecting a mass walkout of staff on strike days. It has robust contingency plans to deal with the strike impacts, and obviously it will be prioritising, in those plans, road safety activity. I think some of the reports about the impact on the road network have been somewhat exaggerated.

Q495 **Chair:** On that, Secretary of State, I am just going to ask you very bluntly: do you believe smart motorways are smart?

Mark Harper: Smart or safe? In terms of, "Are they smart?", I have looked at the evidence on them that has been collected so far. I think it was very sensible of my predecessor to say we are going to collect more evidence. I think we are going to be publishing some statistics on safety,



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going forward. One of the things we have made a commitment about, which I am very clear about—we have got to take the public with us on this, so whatever the data says, people have to be comfortable with them.

Q496 **Chair:** I don't think the public are with you, Secretary of State.

Mark Harper: One of the things we have set out is about investing in more emergency areas on those smart motorways that don't have hard shoulders, to reassure people. But I am very clear: there is a point about data and about facts, but there is also a point about making sure that people feel safe and comfortable using the various types of smart motorways, and I think we've got to get both of those right.

Q497 **Chair:** Would you feel safe or comfortable on a motorway that you had broken down on where the artificial intelligence doesn't see your breakdown and notify the human operators? It waits for congestion to mount up, which can take 15 or 20 minutes; it can take that long before any human person realises there's a problem on a so-called smart motorway. Would you feel safe with you and your family in a car?

Mark Harper: There are, of course, different sorts of smart motorways. On the specific ones you refer to, the all-lane-running ones, yes, you're right that the technology clearly needs to be working properly. Mr Smith highlighted one example where there was a technology outage. That is why you need to collect the data over a longer period.

I am very clear that smart motorways have a lot of advantages, but the public absolutely have to be confident in using them. Even in scenarios that are relatively infrequent, we have to take people with us. I think one of the incredibly valuable things the Committee did in its work and the evidence it took was to challenge Government on that. I think Government responded and my predecessors made sensible commitments on that, and those are commitments that I maintain.

Chair: Your comments are noted.

Q498 **Ruth Cadbury:** I want to go back to electric vehicles. The Government have committed to delivering at least 300,000 charge points by 2030. If there is to be no transport legislation in this parliamentary Session, is that deliverable? If not, what can be delivered?

Mark Harper: On the charge points, I don't think that is something that is going to be primarily delivered by legislation. There are two points I would make. A lot of the charge points are obviously going to be delivered by private investment—businesses investing in those and in all sorts of things. We are seeing a lot of that already.

There are clearly areas where the taxpayer and my Department are going to have to intervene. One of those is to make sure we have a proper network of charge points at motorway service areas and on the strategic road network. The other area is to work with local authorities on making sure we see charging options for people where they don't have the on-street stuff.



Q499 **Ruth Cadbury:** That doesn't need legislation.

Mark Harper: No, I don't believe it does. It is going to be a combination of private investment and investment from the taxpayer in the areas where you need that extra support to make sure we deliver the charging network.

Q500 **Ruth Cadbury:** So that target is deliverable.

Mark Harper: I believe the targets that we have set out are deliverable, and we are working at pace to make sure we can deliver on them.

Q501 **Gavin Newlands:** With regard to zero-emission buses, that has been a bit of a thorny issue for the Government since the previous Prime Minister made his 4,000 buses pledge. I will start with that. In your eyes, was the 4,000 buses pledge a pledge for England, which he was responsible for and you are responsible for now, or was it for the whole UK?

Mark Harper: I think that was a number for the whole UK, and we are up to about 3,276 if I remember correctly. It was a UK commitment, I think—the 4,000.

Q502 **Gavin Newlands:** When you say 3,000, I take it that you are talking about moneys that have been committed to local or regional authorities in England. At the moment, according to the written answer I received a couple of weeks ago, of the 4,000, 87 are on the road in England, with another 425 on order. That is less than 2.5%. Scotland is at 548, which is 10% of the size, but more than England has in terms of actually being ordered. What do you make of that progress in actual ordering and procuring?

Mark Harper: In terms of progress, I don't think there is particularly a competition here between the different parts of the United Kingdom—

Gavin Newlands: Competition can be healthy.

Mark Harper: Competition is fine, but in terms of delivering the United Kingdom's net zero commitments, frankly, the more zero-emission buses we have delivered across the UK, fine. Personally, I am very comfortable with different parts of the country delivering them. I am just looking at the statistics; 3,276 is the number I have. We are continuing to deliver them. Whether we quite get to 4,000, we'll see. But that was a UK number.

Q503 **Gavin Newlands:** Could you write to the Committee to set that out? You've got a different figure than in my written answer. Could you say what is on the road, what has been ordered and what moneys have been given to the regional authorities? Last question: could you also confirm whether any money has been handed back from regional or local authorities in England that are struggling to get operators to run said buses?

Mark Harper: Given that you want a fair bit of detail, I am very happy to write to the Committee to set out those particular aspects of it—all of those things you have said.



Chair: Thank you, Secretary of State. Chris has a quick question for you.

Q504 **Chris Loder:** Secretary of State, we have in this country regulated peak and off-peak walk-up fares that anyone should be able to buy to get on any train within the timeframe. Avanti West Coast and its retailers do not sell those walk-up fares when it suits them. Have you or anyone in your Department authorised Avanti West Coast to do that? If you haven't, will you commit to a full investigation into why that train company is, in effect, preventing off-peak train ticket sales and only allowing for tickets to be sold at a higher price than the off-peak regulated fare?

Mark Harper: That is a very detailed question, Mr Loder. I am very happy to instruct my officials to investigate. I will write to the Committee to let you know.

Q505 **Mr Bradshaw:** Secretary of State, you mentioned active travel in your introduction in terms of your priorities, which was welcome. Can you update us on the signing off of the fourth round of active travel funding? There are about 1,500 schemes waiting to go ahead around the country and local authorities are very keen to get this funding ASAP.

Mark Harper: I was pleased to mention that because I was trying to give the sense that, although we spend a lot of time talking about railways, I am very conscious of trying to ensure that the Department is the Department for Transport, not the Department for trains. We reflect the fact that a third of the trips that people make are walking and 2% are cycling.

In answer to my question on the autumn statement, I am looking at the Department's spending across the range of modes, which will include active travel. When we have concluded that, we will be in a position to deal with the fourth round of the active travel funding.

Q506 **Mr Bradshaw:** Can you give us some idea of when that might be? I just ask because the previous Secretary of State—the one before the last one—had already signed it off; then, when Anne-Marie Trevelyan came before us, she said she had to sign it off. Now we are waiting for you to sign it off. If you haven't had your budget cut and you say this is a priority, what is stopping you signing it off?

Mark Harper: We have had our budgets confirmed as we had in the spending review, but, as you know, there is a very significant level of inflation we are having to deal with and manage across the Department, as are other Government Departments and indeed the private sector. We are having to look at the priorities across the Department. When I have concluded that exercise, which we are doing at pace, we will be in a position to make that announcement, but I am not in a position to do that today.

Mr Bradshaw: Weeks? Months?

Mark Harper: I am conscious that we need to do it early enough that people can then get those funds and deliver them. I am doing it at the earliest possible opportunity. I am not going to pluck a date out of thin air



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and then disappoint the Committee. We have been asked to set out a number of specifics, and on the legislative programme I will see if I can give you a more specific answer. I will write to the Committee to set that out.

Q507 Mr Bradshaw: Your parliamentary colleague Kit Malthouse said on “World at One”, on 16 November, in the context of the new fiscal event, that active travel was “nice to have in good times”—implying it was going to be cut. Is that not your view?

Mark Harper: I think that putting schemes in place that enable people to walk more safely and easily, and also to cycle safely, is very important. We are having to look at those across the whole piece. The reason why I mentioned it is that I am very conscious about how people travel. I want to make sure that the decisions we are taking to deal with inflation pressures do not unfairly penalise any particular mode of transport.

Q508 Mr Bradshaw: Is Active Travel England's status as a statutory consultee for major planning applications still under threat? That was threatened by Simon Clarke, and I am not aware that threat has been withdrawn. Can you clarify for us, because, not least, Chris Boardman will be very interested in your answer?

Mark Harper: I am not aware of what Mr Clarke set out when he was a member of the Government; he is obviously no longer a member of the Government. On that specific question, let me find out and I will let the Committee know.

Q509 Grahame Morris: I am not sure whether it is fair to expect you to know this level of detail, but perhaps you could give us some information. As part of our inquiry into Maritime 2050 and the logistics supply chain, the Port of Dover told us that they did not know when they would find out how the new EU entry-exit system checks would work, which are due to come into effect in May next year. Can you give some indication as to where we stand with that?

My other question is also in relation to the maritime sector. There have been some criticisms about the Seafarers' Wages Bill. We are all very concerned about the appalling activities of P&O and other unscrupulous employers. We are concerned about how international agreements are going to be affected, and if there is a possibility of circumventing legislation by what has been called “port hopping”. How can we avoid that?

Mark Harper: On your last point about the Seafarers' Wages Bill, which has been introduced into the House of Commons, I am hoping for an imminent announcement about its Second Reading. The Bill has a very specific purpose, which is to deal with shipping in UK territorial waters. On the specific point you raise, I do not have the answer. I will find out and write to the Committee, and also ensure we have that answer on Second Reading.

On the Port of Dover question, my first visit was to the Kent resilience forum, the Port of Dover and Eurotunnel to talk about a range of issues,



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including the European system. It is fair to say that the European Union has not published a great deal of information about how this is going to work. Concerns about that were raised by all of the stakeholders.

My Department is working closely with the port and other parts of the UK Government, as well as with the European Commission and the French Government, to try and understand how this is going to be implemented and what the requirements are going to be on us—particularly at the juxtaposed controls. That work is under way. Obviously, it is a European Union system, and they need to tell us what the requirements are going to be. We will then work to comply with them and work with the port.

Q510 Grahame Morris: I understand. If you have met the Kent resilience forum and the Port of Dover, you will understand their concerns about the logistic supply chain and so on. When did you have that meeting—was it recently?

Mark Harper: It was a couple of weeks ago, yes.

Q511 Chair: Secretary of State, I am conscious that you are going to be writing to us with answers and details on various different subjects, and that your two permanent secretaries are sitting right next to you—so, as a matter of process, it does not have to be just one letter; do let us have the information as it becomes available, if that is okay.

Dame Bernadette Kelly: As you know, we always seek to provide the swiftest possible and fullest possible responses to the Committee.

Chair: We are very happy to receive a number of different letters from you and your Department. We move on to Gavin.

Q512 Gavin Newlands: Turning to decarbonisation, and looking back to COP26 and progress on the Clydebank declaration, will the UK have a green shipping corridor by 2025?

Mark Harper: As you know, we made a commitment at COP, working with some of our global partners, about green shipping corridors. Twenty-four countries have committed to supporting the establishment of those. We are trying to lead that work. Gareth might want to add something specific on the timing.

Gareth Davies: I think the timing will take longer than 2025, as you say, because you have got to work through both the actual ships and the port technologies. In terms of progress, we saw at COP27 that the number of countries leaning into this now was pretty impressive. We have got part agreements with the US, Norway and the Netherlands.

Similarly, the Department has already put £34 million into over 80 projects across the UK through the clean maritime demonstrations. It is about getting the port-side technology right. I think we shouldn't underestimate the scale of the challenge to get the green shipping corridors right, but that is a big focus for the Department, as the Secretary of State has said.



Q513 Gavin Newlands: Obviously, it is not in your gift or your control, because it is international and so on. What would be your best estimate as to when you would hope to have the first green shipping corridor in place?

Gareth Davies: I am bouncing between being optimistic and not wanting to disappoint you on this. I will play back the answer a number of people made at COP27, to give you a sense of where the international community is on this—they were saying the back end of this decade. That was where they thought they would be fully operational. Before that, I would expect to see pilots running.

I am particularly interested in what is going on, back to Dover, on the short straits, and some of those routes. Outside this country, the US-Singapore links are very interesting. But it is going to be the second half of this decade—that would be my expectation for seeing real progress.

One of the important things we are working on is to build the international coalition on the back of both COP26 and COP27 at the International Maritime Organisation, to have the focus there on zero emissions, and building that coalition, just as we have done with international aviation emissions.

Q514 Gavin Newlands: The EU has just voted to bring shipping emissions into its carbon market, including international voyages. Does the UK plan to do something similar?

Gareth Davies: Carbon budget 6 for the UK, which is the one around 2035, will include—I think we have announced this previously—international aviation and shipping emissions. Even today, when we have the carbon budgets, what we do is to make an allowance for international emissions, so they are in effect accounted for in the system. This is not an off-book set of numbers.

Q515 Gavin Newlands: I will come back and touch on emissions, but in terms of aviation in general, are you confident now, given everything we have gone through, that airlines and airports have the staffing capacity to avoid a repeat of the disruption we saw this summer and to some degree still continue to see?

Mark Harper: Following what happened this summer, we have done a lot of work with both airports and airlines about testing and challenging them on their resilience. I think that through the work that we have done, particularly talking to them about the Christmas and winter period, we are confident—we have tested their plans, and I think they've dealt with some of the issues that they had during the summer.

The big challenge, of course—coming back to some of my previous answers—is that we are expecting, because the unions have suggested it, that there may well be some industrial action in the aviation sector, both for public employees and those working for airports and airlines. That will clearly have an impact, and airports and airlines will have to respond accordingly. But in terms of their base processes, I think there has been a



lot of work done since the summer to try to avoid the disruption that we saw then.

Q516 Gavin Newlands: In summer, a lot of the disruption was caused in or by the ground-handling sector, which is of course one of the lowest paid parts of the aviation sector. There is supposed to be a review of the ground-handling market—Heathrow itself was looking at reviewing it, and the Government were looking at it. Where are you with that review? I know there have been different teams at the DfT, but we were told that they were reviewing it. Are you aware of any progress?

Mark Harper: That commitment was given before I came into post, so I will ask Gareth to answer that.

Gareth Davies: The review is ongoing at the moment, and we are looking to have the report ready for the Secretary of State in the early new year.

Q517 Gavin Newlands: Okay, thanks. In terms of the recovery in the sector, as many of us warned and as we have seen with other downturns in aviation, the recovery is always unequal. You will see Heathrow come back a lot quicker than regional airports. We have seen the same with Glasgow, for instance, which is still only at 70% of 2019 levels, and with the issues at Doncaster. What do you plan to do, as a Department, to try to assist airports like Glasgow and Newcastle to recover? Jobs are an issue at these airports.

Mark Harper: They are. To some extent, we have seen significant changes in travel patterns post covid. In my experience, looking at the travel sector, we should not just assume that things will go back to how they were before. Certainly as far as businesses are concerned, people are now able and prepared to do things that they were not previously. We have seen changes in business and international travel. The Government will do what we can. If there are barriers in place that we need to look at, we will look at those.

To some extent, however, this work is going to be done by airlines and airports looking at passenger experience, looking at different travel patterns and looking at responding with their services to meet the changing needs of both business and leisure travellers. I do not think it is necessarily right just to assume things are going to flip back to what they were before.

Q518 Gavin Newlands: That is an entirely fair point. A large part of this piece will be about regional connectivity, which is another issue we have been trying to push the Government to respond on. Previous reports from this Committee spoke about public service obligations, and they said that perhaps more PSOs might be required to generate that revival, as well as providing more connectivity. All the PSOs that the UK Government currently support are to and from London. That was a change we advised should be made. Is that something you will be looking at in the coming months?



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Mark Harper: I have certainly got an open mind about the public service obligations; I think you have to look at them on a case-by-case basis. It is about balancing the need against the cost to the taxpayer, so I do not have a closed mind about them. Where we judge that they are necessary, and where there is a sensible balance between the need and the cost, I think we are perfectly happy to take them on a case-by-case basis. I would not want to give you a general answer. We will look at the specific circumstances, but we are certainly open to looking at them.

Q519 **Gavin Newlands:** We have seen reports in the press recently that there may well be changes afoot regarding liquids in hand luggage, perhaps from 2024. Is that correct?

Mark Harper: We continue to keep these things under review. There are a number of pilots going on looking at new technology and how you deal with that. If there are any changes that are going to take place more widely, obviously we will make announcements in due course. There will have to be clear communications around them to make sure passengers know what is going on. If we announce any of them, we will announce them properly with clear communications for people, when we have learned the lessons of the pilots that are being undertaken.

Q520 **Gavin Newlands:** If this change is to be mandated by the Government, and given what I said in previous questions, might there be support available for some airports to make this change?

Mark Harper: If there are any changes in requirements that we make, we will do those in the usual way, but I think we are leaping ahead of ourselves here. When we make announcements, we will do so in the usual way. We will set out our expectations and the responsibilities of the Government but also of the private sector partners.

Q521 **Gavin Newlands:** My last question is about decarbonisation, which is obviously tougher for aviation than any other sector. The easiest and quickest thing that we can do is airspace modernisation, so where are we with it? Are you pleased with the current progress?

Gareth Davies: One of the issues that we have had with airspace modernisation over the last two years has been the impact on the finances of the industries. This is being primarily funded by the airports, and we have obviously had to go slower than we might have wanted due to the impact on their ability to fund it.

As a Government, we have put in the best part of £10 million to fund some airspace modernisation. This can seem like quite a technical issue but, as you reflect on it, you might save up to 10% to 15% of aircraft carbon emissions by modernising airspace. The free route airspace in Scotland has been an incredible success, and we want to build on that lesson. We have asked the Civil Aviation Authority to come forward with an updated airspace modernisation plan, and they are due to do that in the early new year.

Q522 **Gavin Newlands:** As I understand it, it would perhaps take a



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Government investment of only about £20 million to get this done. Is that not something that you would consider?

Mark Harper: Once we get the report from the Civil Aviation Authority, if there are any financial consequences we will absolutely look at them. We will have to balance those against the other priorities, but I am certainly very keen to look at what the CAA brings forward.

Q523 **Gavin Newlands:** The other achievable method or route to decarbonisation that is within reach is sustainable aviation fuels. The Government are obviously fully aware of that; there is a commitment for five plants to be under construction by 2025, and a sustainable aviation fuels mandate by 2030 of 10%, from memory. The current plans for sites would produce only 5% instead of 10%, so there is a lot more work to do. Would you consider, as the Committee has previously suggested, looking at a pricing support mechanism, such as a CFD-type model for sustainable aviation fuels?

Mark Harper: What you said about the commitments is correct. I will ask Gareth to set out the details on the CFD.

Gareth Davies: I am conscious that the industry is very interested in the idea of having some sort of contract for difference mechanisms to support the growth of sustainable aviation fuels. As you said, we have the demand side incentive through the mandate, which is really important, but the big question now is can you also get the industrial benefits? The mandate will ensure that we reduce carbon emissions, but can you actually get the industrial benefits?

For me, the strength of the UK chemical industry suggests that there is a real potential comparative advantage here. As a Government, we have put in £165 million of start-up funding for some of the plants. There is obviously an attraction around the contract for difference; that is being used on solar and offshore, from memory. The risk is that if you get this wrong it is incredibly expensive for the taxpayers, and you must get the calibration of that entirely right. Given the wider pressures on the public finances it is important that, yes, we look at it—and we are looking at it within the Department—but also to recognise that there are actually value for money questions for the taxpayer on this.

Gavin Newlands: I accept that, but the danger is that we may fall behind the rest of the world if we do not progress with CFD.

Chair: Thank you very much, Gareth and Secretary of State. Before I come to Ruth, I congratulate my colleague on getting three final questions in. We may overrun by about 10 minutes, so we may finish around 11.40 am.

Q524 **Ruth Cadbury:** Secretary of State, given the differing travel patterns that you have just mentioned and the constrained carbon budgets that are coming in, do you still support the expansion of Heathrow and Bristol airports?



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Mark Harper: On Heathrow, I am conscious of the complexity of the legal position; I do not want to jump into that. At Bristol, I know that there is a planning issue going on at the moment, and I am very conscious that I do not want to dive into this and cause any legal difficulties, so I will ask the Permanent Secretary to say something on those.

Gareth Davies: I will say something about Heathrow. The legal situation is as it was. There was a series of court cases in—I have forgotten the year now, because of covid. It was probably 2019 or 2020, and we worked through various challenges. The national airspace planning system is now in place and it is up for Heathrow. This has always been, as I think it said in the manifesto, a private sector-promoted scheme. It is up to Heathrow to then come forward with plans about how they want to do that. Obviously, given the impact of covid on their finances, that has been on hold, and we are yet to have conversations with Heathrow about their position on this.

More generally, we are looking at what the forecasts for aviation numbers will be, which is absolutely at the heart of the planning statement. The assessment to date has been that continued uncertainty in the aviation market means that it is hard to make future forecasts. We are waiting for the market to settle down before we come forward with the future forecasts.

Q525 **Ruth Cadbury:** You didn't answer about the carbon budgets.

Gareth Davies: Sorry; that is at the heart of the carbon budget question, basically. Previously, the assessment for the planning statement was made pre the net zero commitment from the Government. Once we understand the nature of future demand or at least the uncertainty has come down, there will be the opportunity for the Secretary of State to review the plan and guidance.

Q526 **Mr Bradshaw:** Thousands of people in this country were deprived of their legal right to compensation when their flights were disrupted or cancelled over the last year. When are you going to give the CAA the powers that it needs to ensure that airlines obey the law—the powers that this Committee has called repeatedly, for many years, for it to be given?

Mark Harper: This is one of the questions—I have had my introductory meetings with the CAA chairman and the chief executive, and their ability to intervene in the consumer space is one of the things I am looking at very closely, so it is one of the things I have discussed with them. I am not able to give you a specific timetable; this may be one of the things I can set out in writing for the Committee.

Q527 **Mr Bradshaw:** Lovely. In principle, do you think that it would be wrong to water down the British public's current right to compensation when their domestic or intra-European flights are disrupted?

Mark Harper: I am very keen to make sure that we continue to protect consumers and I want to make sure that the regime for consumer protection continues to deliver what we think is right. I want to look at



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that to see whether we can improve it, maintain it or alter it in any way, but I am very clear that we want to protect consumers and give them confidence.

Q528 Jack Brereton: Obviously, the pandemic has had a massive impact on local bus services—and public transport more generally—so what is your vision for the future of buses?

Mark Harper: I am glad you have asked that question. I touched on it in my earlier remarks and I wanted to mention it to make sure that you knew it was a priority. One of the things that came up at my first set of oral questions was lots of questions about buses and particularly the investment that the Government have made in bus service improvement plans.

A lot of the money that we have done in the city region deals—they have had a bus component to them as well. I am also very conscious of the challenges that bus services have had with covid and in the post-covid period. I know in my own constituency there are some real challenges in delivering sustainable bus services, particularly in rural areas.

One of the things that I am very pleased the Department is doing—as well as the funding that we are delivering—is some of the pilots about how you can deliver bus services in a more sustainable way. For example, in my own constituency, there are, delivered before I was Secretary of State, some pilots on demand-responsive transport. That is in two parts of Gloucestershire, and I am looking forward to seeing the evidence from those.

So I am very supportive of buses. I am very supportive of us looking at how we can grow bus ridership. It is still at a significantly lower level than what it was pre covid, and I want to work with local authorities that have those ambitious plans to grow bus ridership in the future. The Government will look at what we can do to support them.

Q529 Jack Brereton: As you say, there has been a massive struggle to try to get bus ridership back to pre-pandemic levels. Is it still your and the Department's view that we want to get bus ridership above pre-pandemic levels?

Mark Harper: Where exactly it comes to is obviously going to be a decision for individuals, but I do think we want to grow bus ridership higher than it is at the moment and, clearly, get it back to the sort of levels we were looking at. That is why, with the bus service improvement plans that we have been doing, we have tried to encourage local authorities to have ambitious plans to grow bus ridership.

It's one of the things I briefly talked about when I talked to northern Mayors on my visit. We will come back to it; we spent a lot of time talking about trains. I had some very good conversations with Andy Street about his plans for buses in the west midlands. I am very keen that we work with local authorities that have ambitious plans on growing bus ridership, and also look at different models.



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One of the advantages of devolution is that we can look at different ways of managing bus services in different areas, to try to grow the ridership, have a more modern bus fleet and make them easier for people to use, and also join up transport opportunities across different modes and have better ticketing opportunities for people, so they will give people more choices.

Q530 Chris Loder: What measures will you bring in to support the local authorities that missed out on funding through the bus service improvement plan options? Places such as Dorset, Buckinghamshire and others have very few bus services now.

Mark Harper: It came through very clearly from colleagues in our oral questions session that there is a lot of unfulfilled demand. People had bid and had quite ambitious plans for bus service improvement plans that we could not fund. I am very conscious, as we work through our autumn statement work, that I want to ensure we have an appropriate level of funding for bus services in the future so that we can continue to provide those opportunities coming forward.

Q531 Chris Loder: Are there any specific measures you are looking to implement? Any exciting initiatives to bring buses back?

Mark Harper: You will be aware that between January and March we will have the £2 bus fare to try to deliver an improvement in ridership. I am looking at what we can do to provide opportunities for local authorities to bring forward ambitious plans. We will be able to set more out when we have finalised our work on our autumn statement.

Q532 Chris Loder: So as it stands today, a number of rural counties from March are looking at losing quite a lot of their bus services—the few that we have. There are no measures or exciting things in place from 1 March to bring bus services back or bring them to those who need them.

Mark Harper: I am clearly very well aware of some of the money we have put into supporting bus services post covid. We have been specifically focused on that. Those run out at the end of March. I am very clear that I want to make sure we continue supporting bus services.

One of the things I have tasked my team with as we work through the financial settlement from the autumn statement is to work out the right level of support the Department needs to continue providing for buses and what things we need to continue doing. The absence of having said something today should not, I think, be read either way. I am very conscious that we will need to say more about buses in the near future.

Q533 Chris Loder: We had a number of quite difficult sessions with Baroness Vere when she was Minister for buses. I think it is fair to say that we took evidence from a number of rural county councils that did show that there was not a very satisfactory relationship between county councils and the Department. Would you commit to hold a summit with leaders of rural county councils, certainly across England and maybe further afield, in order to get their feedback at first hand, so that you can take their ideas and suggestions to drive things forward?



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Mark Harper: First of all, I am the Member of Parliament for the Forest of Dean, which is a rural part of Gloucestershire—a broadly rural county. My constituency has some challenges that I suspect it shares with yours. Those challenges are around how you deliver a good bus service in a rural area where there is obviously not the level of ridership that there would be in a more urban area, and there are challenges about doing that in a sustainable way. That is exactly why the Department is looking at some of the innovative ways of delivering bus services.

In terms of interacting with local authorities, I don't want to immediately leap to a summit as a solution, but I am very open to it. Let me go away and look at what work we are already doing with local authorities. I am very committed to improving the engagement we have with local authorities, particularly those in rural areas, but let me not leap to a particular solution. I will look at what things we can do going forward. I am certainly not closing my mind to that solution.

Chris Loder: Good; thank you.

Q534 **Chair:** I have a few closing questions, Secretary of State. I know this is before your time, so you might want to write to us, but what is the Department doing with the bus service network reviews that local transport authorities were required to submit by July?

Mark Harper: I am not aware of that.

Dame Bernadette Kelly: I will write, so I can give a precise answer.

Q535 **Chair:** One of the things we have not touched on today is road haulage drivers, driver facilities and the planning regime that is currently in place, which negates improving the lot of road haulage drivers. Would you like to give us an update, rather than answer something now, as well as your thoughts on the supply chain and any issues that have been apparent over the past two or three years, and moving forward over the next two?

Mark Harper: I will write to you with a fuller answer, but you may be aware of what Richard Holden, the Roads Minister, set out last week. He set out some support that we have made available to improve the facilities for HGV drivers, which I think is really important. We have obviously done a lot of work with the industry on making sure that we can make more tests available, so that we can increase the number of HGV drivers to deal with the shortage we saw. We have made good progress on that. It is not done yet, but we have made good progress, and maybe we will give some more information on that when we write to the Committee.

Dame Bernadette Kelly: I think we have made good progress. As you will recall, last year we had a 33-point action plan to deal with a then quite pressing issue of HGV driver shortages, of which the testing is a key part. I think we have made good progress. The industry is now reporting a much improved situation, in terms of availability of HGV drivers, so we are feeling more confident about that.



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Your questions may also refer to our future plans for freight beyond HGV drivers—

Q536 **Chair:** Specifically driving facilities. I know the Government have made some moneys available, which has been welcomed, but the planning regime is the real roadblock.

Dame Bernadette Kelly: Okay, so it is the planning issue—we will write to you on that.

Q537 **Chair:** Right. And, Bernadette, the DVLA. Are there any salient points you would like to make the Committee aware of? Have there been any further improvements?

Dame Bernadette Kelly: As I hope you know, the DVLA has now addressed all the backlogs. The one remaining area of difficulty is drivers' medicals, which is an important area. I and the CEO and my director general responsible for this area gave evidence to the Public Accounts Committee a couple of weeks ago on this. I refer you to that—it was an exhaustive session, with many questions. A lot of progress has been made, as I hope our testimony demonstrated.

What we also acknowledged is that there are still significant challenges around drivers' medicals. Partly that is dealing with the backlog, but we do expect that to have been addressed by the beginning of the new year. What the Committee identified correctly was a sort of wider systemic issue.

This is a really challenging area of the DVLA's work, partly because of the nature of an ageing population with multiple medical conditions, who naturally want to continue to drive, but we need to find a system capable of dealing with those cases in a more effective way. That is certainly something that I and my colleagues in DVLA are looking very hard at, but, on the whole, I believe that the DVLA, notwithstanding the challenging hearings it has faced here in the past, has done a good job of addressing the backlogs created during the pandemic.

Q538 **Chair:** And specifically for you, Secretary of State: MOTs and the regime in this country. If it ain't broke, does it need fixing?

Mark Harper: My predecessor made some commitments there. For me, it is about outcomes. It is about making sure we have safe vehicles on the road, so I will continue to keep that under review and look at what the evidence tells us. I am a great fan of "If it ain't broke, don't fix it", but if there are genuine things that we do need to change, and there is good evidence supporting them, then I am very open to doing that as well.

Q539 **Mr Bradshaw:** I want to clarify the confusion over the legislation earlier. The last Transport Secretary told this Committee in October that she was continuing to pitch for a narrow Bill that would address some of those issues. Dame Bernadette seemed to have forgotten that, although she was here. What changed? Did you decide to stop pitching?



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Mark Harper: I don't think we were necessarily at cross purposes. I thought when you asked me the question you said that she had confirmed that she was going to bring forward a Bill. What you are now saying is she was pitching for it. My understanding is that the position when I took over this role was that there isn't a legislative slot for a Transport Bill in the third Session, and that is not going to take place. I think that is right.

Dame Bernadette Kelly: I think that is correct.

Q540 **Chair:** We look forward to the very full written clarification.

Mark Harper: We will set that out comprehensively when we write.

Chair: Secretary of State, and your colleagues, thank you very much indeed for what has been a lengthy session—at times feisty, but I think we all got our points across. For us, it is about getting information from you and I think you have imparted quite a lot. Thank you very much indeed.