

# Transport Committee

Oral evidence: [Rail services disruption](#), HC 954

Wednesday 14 December 2022

Ordered by the House of Commons to be published on 14 December 2022.

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

Questions 1 to 40

## Witnesses

[I](#): Jennifer Williams, Northern Correspondent, Financial Times, Lord McLoughlin, Chair, Transport for the North, Martin Tugwell, Chief Executive, Transport for the North, and Anthony Smith, Chief Executive, Transport Focus.

## Examination of witnesses

Witnesses: Jennifer Williams, Lord McLoughlin, Martin Tugwell and Anthony Smith.

**Q1 Chair:** Welcome to this session of the Transport Committee. Today we will be looking at issues to do with the reliability of rail services, particularly in the north of England. Later this morning, we will hear from the train operators, but the first panel is designed to give us an overview of the issues that passengers are facing at the moment. I invite the panel, for the purposes of our record, to introduce themselves.

**Anthony Smith:** Good morning. I am Anthony Smith, the chief executive of Transport Focus.

**Jennifer Williams:** Good morning. I am Jennifer Williams, the northern correspondent at the *Financial Times*.

**Lord McLoughlin:** I am Lord Patrick McLoughlin, the chairman of Transport for the North.

**Martin Tugwell:** I am Martin Tugwell, the chief executive of Transport for the North.

**Q2 Chair:** Welcome, all. We are very interested to hear your evidence this morning. May I start with you, Jennifer? Would you give us, from your perspective, an overview of recent rail disruption, particularly in the north of England? What routes and stations have been affected, and is it across the board or do particular times of the day seem to be worse than others?

**Jennifer Williams:** One of the key points that I wanted to start by making is that it is very easy to see the rail disruption nationally at the moment through the lens of the national rail strikes. Actually, what has been happening in the north of England is a product of a lot of other underlying problems. It depends on the operator and the timeframe that you are talking about, but I think we probably all know what happened in the summer with Avanti.

In early August, it suspended its timetable. At the same time, there have been particular issues with TransPennine Express, and with Northern rail and CrossCountry, as a result of a whole range of factors, some of which are common across the operators and some of which seem to be more specific to particular operators. The result has been that it has become barely possible, to be honest, to travel north to south or east to west if you are in the north of England trying to get around on rail. It has become very common for people to say that you cannot really tell whether it is a strike day or not in the north of England at the moment.

Avanti is its own special type of chaos, I suppose. It suspended its timetable in early August. The idea behind that was to try to stabilise the timetable for passengers after the workforce withdraw from rest-day



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working. The problem is that on top of that the service has remained completely unreliable. It is not just about the timetable with Avanti. Anyone on the panel who has used the west coast main line will know that the actual experience of getting an Avanti service is appalling in all sorts of different ways. The trains are overcrowded. It is very often impossible to book tickets in advance. If you do book a ticket in advance, often seat reservations end up being suspended. People are sat on the floor. The train is dirty. Things are broken. Card machines are broken. Toilets are broken. Air con is broken.

That is Avanti, and in some respects Avanti almost stands alone. At the same time, we have had problems across other northern operators as a result of rest-day working agreements expiring, I think in the majority of cases about a year ago, which has meant that there has not been much resilience on those operators to run the timetables. Particularly in the case of TransPennine Express, there has been a suspended timetable on the west coast for similar reasons to Avanti—to try to stabilise things. On top of that, you have had hundreds of services a week being cancelled the night before, which do not show up in the cancellation figures and do not result in a penalty for it, and you have had large percentages of—I think I am right in saying record—on-the-day cancellations as well.

You also have other factors going on across operators, like sickness. Obviously, the loss of rest-day working applies to Northern rail and to CrossCountry as well. I think it applies to LNER, in fact, as well. All those factors combined have resulted in people simply not being able to rely on railway services in the north of England, full stop.

For example, on Monday, which I think was the second day of the new timetable, I was trying to get from Manchester to Leeds. I counted up the cancellations: half the trains from Manchester to Leeds during rush hour on Monday morning were cancelled, and the other half were delayed. There may have been some weather factors in there, but broadly speaking that kind of experience is not uncommon.

My final point is that often a lack of communication with passengers compounds it. There is a feeling that people simply do not know what to expect. They do not know the night before whether their train will be cancelled. They do not know what to expect when they turn up at the station. They do not know whether to expect a full train or a short-form train, or whether they will be able to get on it. I hope that gives you some sense of the general chaos.

**Q3 Chair:** Thank you. I will invite the other panellists to comment in a moment. Does this primarily affect longer-distance inter-city travellers, or is it everyone, including commuters and short-distance travellers?

**Jennifer Williams:** No. Someone living in a village in between Manchester and Leeds said to me yesterday, "I live in a commuter town that I can't commute in or out of." That is on the stopping service. At the same time, yes, you have a long-distance issue with Avanti. I know

slightly less about LNER, but I know that it has been more reliable than Avanti, and it is certainly a more pleasant service to use.

Q4 **Chair:** Thank you. I invite the other panellists to comment.

**Anthony Smith:** There are three distinct sets of issues with the three train companies concerned: Avanti, TransPennine Express and Northern. Passengers on Avanti have experienced the rather unpleasant effect of a much-reduced timetable, and therefore fewer services to choose from, and the prices have effectively gone up. The prices of advance tickets have gone up, and there is often a requirement buy a full-price anytime or off-peak return, which can be very expensive.

On TransPennine, the level of cancellations has led to uncertainty. As Jen said, what has been really corrosive to passenger confidence is not being able to get good-quality information. We have been talking and listening to thousands of passengers across Avanti and TransPennine to understand what has been happening. The thing that is difficult to get a handle on, of course, is the people who do not travel—the people who are put off completely. They are the ones who disappear from the system. We have been trying to talk to non-users about what they have been doing—whether they have been staying at home and not travelling, finding another way to go, going in a car, hitching a lift or whatever. There is a raft of people who are quite difficult to get at.

Interestingly, we have done some survey work with the people who are actually using Avanti and TransPennine—we spoke to nearly 600 Avanti passengers and almost 500 TransPennine Express passengers—and four out of five, roughly, are satisfied with the journey that they managed to make. But, of course, when you look at the relative rankings across the country, TransPennine and Avanti are near the bottom compared to the other train companies. Interestingly, the experiences of passengers around the country are markedly different. In large parts of the country, the service is still relatively reliable. It is nowhere near as good enough as people would like, but in large parts of south-east England it has been okay.

The contrast is interesting, and it throws a harsh light on what has been happening with Avanti and TransPennine. We are doing a lot of work with those train companies to improve the information going to passengers. With Avanti, in particular, we are ensuring that people can get the right tickets for their journeys, and that they can still buy walk-up tickets, even if they cannot reserve a seat. We are trying to help with resolving passenger complaints. There are a lot of issues with those two companies.

Q5 **Chair:** Do colleagues from Transport for the North have anything to add?

**Lord McLoughlin:** I think Jennifer and Anthony have covered it incredibly well. One of the most important things for people who want to use trains is reliability: knowing that the service that they want to use will be there. That has been the greatest problem, and it is the greatest problem for the companies to address. Both the previous contributors talked about the total let-down that people have felt. There has been a total let-down:



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unreliable services, not being able to get tickets, not knowing whether services are going to run, and getting that information out. You get cancellations the night before on P notices—that is one issue—and they are not always the same services either. It is not like you can think, “Ah, that train is likely to be cancelled,” because it is much more random than that, unfortunately. That leads to this despair.

We are just into the new timetable. There are signs of improvements—Avanti managed to run three trains an hour on Monday—but we are now into the national dispute. Part of the problem is that everything is getting wrapped into the national dispute. Other things are happening that have always happened in the past, but there have sometimes been better communications, particularly when infrastructure repairs or changes are taking place.

- Q6 **Chair:** Part of the purpose of this session is to try to tease out the particular problems with these operators, rather than, as you say, the wider issues with the rail sector at the moment. Anthony, you mentioned in your comments that it seems to be particularly bad for the north of England. Other parts of doing relatively okay. Why do you think that is? Why is it that these services are particularly badly affected?

**Anthony Smith:** I think the representatives from the train companies who you will be seeing later will hopefully give you chapter on verse on that, but it is a rather toxic combination, which is different for each company.

With Avanti, the problems probably date back to the days of Virgin and the previous franchise, the winding down of that franchise and the training of drivers. Then covid came along, which made training drivers difficult. I understand those are some of the issues that led to the thinning out of the timetable. Clearly, there has been some sort of quite serious breakdown at Avanti of industrial relations overall. The staff-management relationships do not seem to be good and need resetting in some way. With TransPennine, again, the industrial relations issues have been very corrosive and have really undermined their ability to provide a reliable service.

What we are seeing across the piece is that you have industry systems that were designed for a very different era and that can maybe cope with one train being cancelled, but now we have scores of trains being cancelled on a particular day, and there is a particular issue with this rather arcane thing about the P code—the cancelling of trains the night before, which then do not count in the next day’s timetable. That was a perfectly sensible thing to introduce originally, because when you were just taking one train out, there was no point in having it in the next day’s timetable, because it would just confuse passengers. Now we have scores of trains coming out, and there is an issue with transparency here. Northern, to their credit, include all the cancellation figures in their reported statistics, whether they are cancelled the night before or on day. I hope the people from TransPennine speaking later will be able to tell you

that they are going to move towards that, because I think it aids a little bit of transparency on this.

- Q7 **Chair:** That was going to be one of my follow-up questions. We hear lots of anecdotal stories about people's journeys being disrupted, but do we have clear enough data for us to be able to contrast these services with others in the country?

**Anthony Smith:** Yes, I think we do. Britain has a lot of rail data in the public domain—probably more than many other countries. The problem is stitching it all together into a coherent story. There is lots of data coming from lots of sources, and it takes people like us, who have the time and the professionalism, to look at this data and extract it. Some very dedicated journalists are doing the same thing. The public could probably do with a bit clearer data out there in the public domain that explains some of this. Also, what we try to provide is always comparative data, because what I am experiencing is very different from what somebody in the north-west is experiencing. The key thing is that benchmark, comparative data—that is what we aim to provide, and that is what we try to do through our research.

**Chair:** Thank you.

- Q8 **Mike Amesbury:** I drove here for the second time in the five and a half years since I was elected. As a northern MP, I have the displeasure of using the west coast main line—the Liverpool train. I concur with what the panel have said with regards to cancellations, the lack of transparency, the lack of information and so on. In terms of an assessment of the cost to the northern economy—we have lots of talk about levelling up, and I will probably direct this question to Lord McLoughlin. What is your assessment of the weekly, or even daily, cost?

**Lord McLoughlin:** We have got some figures on that. We are talking about a weekly cost of about £8 million a week to the economy, which would total up to half a billion pounds a year.

In a way, it is actually more serious than that, because it is the long-term investment confidence that is being lost. That is why it is so serious that we see improvements. I think everybody acknowledges that improvements have to take place. The Mayors met with the Secretary of State 10 or so days ago, and I was pleased to see that we were making progress as far as that meeting is concerned; I think they regarded it as a useful, constructive meeting, but a lot more needs to be done. It is not just the cost immediately, but the long-term cost to the region.

**Chair:** Anthony, I think you wanted to add something.

**Anthony Smith:** Yes, I wanted to echo Lord McLoughlin's comments. The cost is one thing, but I think the confidence is the most important thing. As all our insight and all your experience shows, passengers want to be able to rely on the railway. The timetable should be a work of fact, not fiction. It is when the information is weak and the timetable looks a bit poor that people start to lose confidence. That is when, if they've got any



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choice, they will choose other ways to travel. We all know, post covid, that more people have more choice about when, if and how to travel. The railway has to supply a consumer product that people want to buy and that they can rely on. It is really hard to put a figure on that confidence, but I think it is almost as important as the actual monetary figure.

**Chair:** Thank you. Jack?

Q9 **Jack Brereton:** I want to look a bit more at the impacts the disruption is having on passengers. Anthony, you've already mentioned some of them. Can you go into a bit more detail about the real-life impacts on passengers?

**Anthony Smith:** I think there are probably three areas where this is having an impact. As I said before, I think there is a whole group of people who probably aren't travelling on trains now and who are travelling in different ways, which is slightly worrying because they might be driving, which is neither as safe nor as environmentally sound a means of transport. There is a whole group of people who are altering their travel patterns to catch the train before to leave much more time and pad out their journeys just in case.

Of the people who are catching the trains, as I say, about four out of five are reporting that their journey was okay. On the surface, when we published these figures, people said, "That can't be right. That can't be true." But, of course, when people have actually managed to catch a train, it has generally been all right. But it is looking at the comparative figures; these are low compared to the rest of the country.

We are talking about trains with relatively modern rolling stock, so they are not old trains. These figures should be higher and, of course, they have been higher in the past, both for Avanti and TransPennine. At one point, Avanti was the leading franchise long-distance operator in the country. It was beating LNER on a daily basis. With TransPennine, with all the investment that has gone into it, passengers were at one point liking it and flocking to use it.

Q10 **Jack Brereton:** We have heard concerns about a lack of information about timetable changes and the very short notice that passengers have had to cope with. Do you think that has had a significant impact? How do you think that could be improved?

**Anthony Smith:** I think the industry has just got to simply chip away at making sure that all of the industry systems produce the data as far in advance as possible so that people can plan as far in advance as possible, so that they can, again, rely on the system. One of the really pernicious effects of the current disruption is that people have been unable to buy both legs of their journey—they can buy the outward leg of their journey on Avanti, but the timetable hasn't been released for the return. Again, that really undermines confidence. All people want to do is buy a train ticket, get a seat, relax and get on with the rest of their lives. The whole industry has to look at its systems and information to give some stability.

It feels like part of the rail network is unstable at the moment, and we have to get back to some stability.

**Lord McLoughlin:** I just want to add that it is worth noting that the post-covid recovery in the north for use of the railways was actually substantially higher than London and the south-east. It is part of that recovery, which is now much more broadly based—it is much more now a seven-day, broader recovery. People are using the train a lot more at weekends than they hitherto were. That brings extra problems for the industry to try and address. We have got the figures.

**Martin Tugwell:** We know, for example, that Northern recently had their third busiest day ever in the franchise's history, which is a reflection, as Lord McLoughlin says, of the strength of the recovery. It is consistently faster and stronger than elsewhere in the country. We have also seen that growth in off-peak travel. We should be careful about comparing it with pre-covid, but in this instance it is helpful to understand that passenger numbers are at 120% or 130% of pre-covid in those leisure periods. It shows the strength of the recovery in the north and, importantly, why having reliability and resilience is important not just from a business perspective, but from a community perspective as well.

**Jennifer Williams:** Can I come in on that? It is such an important point that demand has bounced back more strongly in the north of England. Successive Governments have talked about growing the northern economy and rebalancing, including this one. If we are going to talk about levelling up and the northern powerhouse or whatever, there is clearly a market there. Northern rail said that at the last Rail North meeting. There is a demand there. There is an existing market, but the supply is not there to meet the demand at the moment. The danger is that you look at the rail network nationally, and you look at it through the lens of London and the south-east, where passenger numbers continue to be down more than they are in the north, and you think that the demand is not there. That demand is there in the north of England. You need to invest in it, or it will go away and will get back on the roads—and people are getting back on the roads.

- Q11 **Jack Brereton:** That is certainly what I have experienced in my own constituency in Stoke-on-Trent. A lot of the jobs in the midlands and the north rely on people being able to be there. The jobs cannot be done from home. This is clearly having a massive impact on certain parts of the population, particularly commuters. We have also heard concerns about the impact on people with disabilities. Do you think that this is having a particular impact on certain types of passengers?

**Lord McLoughlin:** I don't think there is any question about that. TPE run 300 services a day and Northern run 2,400 services a day. They are very much part of the lifeblood of communications and transport policy in the north. It is essential that those services are restored as quickly as possible, with some reliability. I hope that that can happen. There is no one single reason why this meltdown has happened. There are the problems of covid, driver training, rest-day working and the like. We

probably should not have relied on that as we did in the past. That dates back some time.

Then there are the added problems of infrastructure improvements that take place, and that causes disruption as well. We ought to be able to plan better for the infrastructure, but, as I know from my time as Secretary of State, these take years to get right as far as planning in advance is concerned. Perhaps post covid we have to look at whether it is right to try and do all the infrastructure work at weekends, closing down the railways and causing all the inconvenience. The market is changing a lot, and perhaps we have to look at shutdowns of certain areas and have more concentrated work at particular times.

One example that comes to mind is the Farnworth tunnel. We had to close it down because although the tunnel expansion was going to lead to greater capacity, but it could not be done at weekends and we had to close down for a while. There had to be a shutdown.

**Q12 Jack Brereton:** Anthony, how easy has it been for passengers to claim refunds when we have seen disruption?

**Anthony Smith:** May I pick up the point you made about disabled passengers first? It is a really good point, because of course these problems have affected all passengers, but they affect passengers with disabilities even more.

Could I just read out some of the comments that we got back from Avanti passengers who are disabled, about experiences from the end of the summer? One passenger says: "I decided to drive but I found this very difficult because of my disability and I had to leave very early and return very late, as I had to stop at service stations en route." Another passenger said: "I have a disability that means I need things to be predictable and quiet where possible. Reservations weren't there on the train...disruption...unpleasant." Another passenger says: "I have difficulty walking. There was not enough time for me to change platforms because of disruption and I had to wait an extra hour for the train." Another passenger: "I am disabled. We had to book a taxi instead, at significantly higher cost."

With disabled passengers, you have a whole group of people who are probably just deciding not to travel at all, which is a real shame, because they are lost to the system. Then, if they are travelling, all the problems that everyone faces really impact on disabled passengers.

Your second point was about complaints. Interestingly, it is yet to feed through in very big numbers to us in terms of complaints. I think some of the Delay Repay semi-automatic systems do actually work reasonably well in the industry. They could be a lot better. They could be easier to access, and I have had some personal experience of having to really grapple with some of them, but it does automate it and it does make it a little bit easier. Anything the industry can do to make it clear that compensation is available and make it very easy to claim that compensation is important,



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because if you want to send a message to the industry, the way to do it is to claim your money back.

- Q13 **Jack Brereton:** Finally, Jennifer, you mentioned the issues with Avanti. We have seen as little as 48 hours' notice, or less, in terms of changes to the timetable and not being able to book tickets—tickets not being available at all on the website. Do you think that situation has improved at all, or is it still just as bad?

**Jennifer Williams:** I know when I was trying to book tickets to come down here, it was very difficult and I ended up coming via Leeds, because it was easier to book tickets on LNER. I don't get the impression that it has particularly improved.

To come back to the point about communication and how the industry improves its communication, some of it is clearly complicated because you need to have the data available to be able to tell people. However, there is also some stuff that is fairly basic. When Avanti suspended part of its timetable in the summer, I think I am right in saying that it hadn't really given any warning to any stakeholders. No one was really aware of it.

**Jack Brereton:** MPs did not have any notice.

**Jennifer Williams:** Right. Exactly. That is quite basic stuff.

**Chair:** Chris, you have a quick supplementary.

- Q14 **Chris Loder:** Yes. Good morning, everybody. Good to see you. I just wanted to press further the point on tickets that Jack made a moment ago.

In Committee last week, we asked the permanent secretary to investigate what was going on with Avanti West Coast when it came to fares not being available. The Department responded yesterday and has confirmed that Avanti West Coast applies quota-ed mandatory reservations to walk-up fares. You can really buy a ticket, but on the app, you can't. This is basically stopping people from buying walk-up, off-peak fares and it is making people go and buy more expensive yield-managed fares, which is entirely improper.

Lord McLoughlin, can I ask you, as chairman of Transport for the North, is this sort of behaviour by the operators acceptable? Should it be permitted?

**Lord McLoughlin:** Look, I don't think that what has been happening with the service, particularly on long-distance routes, has been something that has been acceptable. It hasn't. I very much hope that, as of the day before yesterday, with the new timetables coming into effect on Sunday, it changes.

The trouble at the moment is that it is all conflated in with the national industrial dispute that is going on, so it is very difficult to have the time to see whether those proper changes are coming about.

- Q15 **Chris Loder:** But if there is an operator serving your area that is not



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selling tickets that it should be selling and is forcing people to have to pay more in some cases, surely that is not right.

**Lord McLoughlin:** No, I agree. I think I did say it was not acceptable.

**Chris Loder:** Yes, okay. Anthony, you wanted to come in.

**Anthony Smith:** Mr Loder has been very good on this issue and very insistent in pushing this forward. I look forward to seeing the Department's response because what you said did not quite chime with what our understanding was. This issue about sold-out trains is an interesting one. It is a hangover from the covid days when it was quite sensible to have mandatory reservations to control numbers, but it has lingered on in the post-covid era. We are not happy about this at all. We have taken this up with Avanti, LNER and CrossCountry, all of whom were showing trains being sold out. Whereas, as Mr Loder says, under the rules you can buy a walk-up ticket. You can go to the station and buy an off-peak or anytime return. You are taking a bit of a risk because you will not have a reserved seat but, as we all know, not everyone turns up and you can usually get a seat on the day. Therefore, I think portraying a train as being sold out in that respect and pushing people towards more expensive tickets is borderline misleading. It is mis-selling, and that is why we have been very insistent with Avanti about this. They have now increased the number of unreserved places and are ensuring that the retail systems they deploy are not so quick to throw people on to first-class or other tickets, so the instinct about the walk-up railway is preserved, but it is an issue we will continue to pursue.

- Q16 **Chris Loder:** The Secretary of State will formally respond to the Committee, and I assume we will make that response public, so you will be able to read the detail of that. Have you asked Avanti, where they have overcharged passengers to travel, whether they are willing to refund the difference for those who have paid £30, £40, £50 more than what the off-peak return would be?

**Anthony Smith:** We have encouraged them to be generous and sensible if people make an application.

- Q17 **Chris Loder:** So they have not actually confirmed they would do it yet.

**Anthony Smith:** Sorry, I can't quite recall if we have it in writing, but they have said orally that they will be sensible with individual complaints. Of course, that does imply two things: the person has to know they have been overcharged, and they have to go through the rigmarole of trying to claim the money back.

- Q18 **Chris Loder:** The scandal of this, really, is that most people do not realise they are being ripped off, do they?

**Anthony Smith:** No, hence my comment about mis-selling.

- Q19 **Chris Loder:** As you were articulating, Jennifer, we had this issue where people could not buy a ticket. You actually can buy a ticket, but they are just not selling it to you. That is wholly misleading, and it is basically



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causing you to pay more money.

**Lord McLoughlin:** And you can only buy it at the station; you cannot buy it online.

**Chris Loder:** Indeed. Well, that is another farce, but maybe that is something we can talk about another time.

Q20 **Grahame Morris:** To be fair, Lord McLoughlin answered the question I was going to ask earlier in response to a point put by my colleague about the economic cost. You said it was about £1 billion a year to the region.

**Lord McLoughlin:** I think I said half a billion. Just for the record, I said £8 million a week and half a billion pounds a year, but, as I said, I thought the cost was greater than that because of a lack of confidence and the fact that it is putting investment off. I just wanted to put that figure right.

Q21 **Grahame Morris:** I am grateful for that. I do not want to go over questions we have already addressed, but can we go back to blame and the consequences? Jennifer Williams gave a rundown of the various train companies. I am a frequent user of the LNER service, and I have noticed more frequent cancellations of services in recent times, which were quite unheard of only a few months ago. Why cannot train operators recruit drivers? What is the issue?

I do not think Avanti, in particular, should be let off the hook for decisions that were made to reduce manpower. I saw some figures from the Office of Rail and Road. When they took over the franchise, Avanti lost 12% of their staffing numbers. Surely there should have been some foresight. You did not need a crystal ball to predict that it would be a disastrous decision in terms of the impact on the service. I do not necessarily accept that it is just a consequence of the pandemic and changing habits. I think there are issues of mismanagement here. What are your views, Lord McLoughlin?

**Lord McLoughlin:** First and foremost, it is not an easy job to train a driver. It takes 18 months to two years to fully train a driver. So, if there was a period of around two years where driver training could not take place because of covid, then, obviously, that is not an excuse; it is actually what has happened, and the consequences of that are serious.

On whether there is enough training now, regarding the numbers that you talk about on Avanti and the reduction in staffing numbers, I presume that that was something that was taken into account when they were awarded the franchise originally. That would have been a competitive franchise, which the Department for Transport will have overseen and been responsible for, so I think that is more of a question that you need to put to the Department for Transport, as to how it expected that to be done.

Q22 **Grahame Morris:** I know that my colleague Ben Bradshaw will pursue that a little later, but in terms of the knock-on effect with other train operators—because there does seem to be a ripple effect with TransPennine, LNER and Northern—is Avanti recruiting drivers from other train companies, with a kind of golden handshake or golden hello, or



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whatever it is? And is that having an adverse impact, because these problems seem to be spreading?

**Martin Tugwell:** If I may, I think there is anecdotal evidence of drivers moving between companies. I think that is why, as TFN, we have been working with the operators and are very supportive of the idea of a rail academy for the north. Lord McLoughlin has touched on some of the short-term issues already, but there needs to be a medium to longer-term plan that allows us to grow the pool of talent for not just drivers but other operational staff on the railway.

Investment in a facility like the rail academy, which could serve not just one individual operator but a number of operators, so that we grow the pool, to us, seems to be an important part of finding a longer-term solution and moving away from the continued reliance on rest-day working. I think it is recognised by everybody on all sides that it is not a sustainable solution in the longer term to be relying on people prepared to work on their days off. Actually, you should be resourcing the railways to run a service without that as a need. That is where a rail academy, we think, would be helpful to grow the market.

Q23 **Grahame Morris:** Thanks, that is helpful. On investment in rail, I know that the Northern service to my constituency is one an hour—London has a lavish service by comparison—so if a train is cancelled, it is a two-hour wait for the next service. It is also a two-carriage train, mostly, so they are terribly overcrowded, and so on. Is there a fundamental problem of a lack of investment, not just in the main line infrastructure but more generally in rail, in the north?

**Martin Tugwell:** If I may answer that one as well, I think you are picking up the point that we touched on earlier, about the importance of understanding the strength of the recovery in the north. We understand that there are financial pressures on the rail budget, and we need to work within that, but it seems that the focus is purely on cost, and, on dealing with the impact of inflation, it feels very much as though it is not being shared equally across all of the rail sector.

From our perspective, as we said earlier, the revenues are actually recovering really strongly on the service, even outside of the strike days. It seems to us that we need to consider not just the cost but the revenue, and the franchises were let, in the north, on the basis of growing the service to support the economy, as Jen said. One of the real concerns of the TFN board is that they can see the pressures of inflation and are deeply concerned that that will lead to further service reductions in the new year, in the May timetable, at a time when I would say the revenues are really strong and holding up. It seems to be cutting off your nose to spite your face, a little bit, in terms of that.

**Chair:** Anthony, you wanted to add something.

**Anthony Smith:** Yes please. Mr Morris made a really good point about frequency. It is interesting, because we have an office in Manchester and another in London, and the one in London is used much more than the one



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in Manchester at the moment. That is partly just to do with frequency and the reliance on the hourly service, because if the hourly service is not there, you have quite a big disruption to your life. If you have less frequency, then—all trains have to be reliable, but if it is hourly, it really does have to be reliable. I have the luxury, at my local station, of six trains an hour. That is virtually a tube service; that is nice. But with one train an hour, that is a different world.

- Q24 **Chair:** Thank you. Before I turn back to Chris, I have a couple of quick supplementary questions. Yesterday, the Secretary of State published a written ministerial statement pointing out that he has given TransPennine Express and Northern, “the scope they need to put a meaningful and generous rest day working offer to ASLEF.” Notwithstanding your comments that there is a longer-term fix needed to the number of drivers, do you think this will be a game changer?

**Lord McLoughlin:** It also goes on to say that it was rejected, I think, by ASLEF. It could be a short-term game changer. What we need to do as a result of this is talk about long-term resilience, and not being reliant on too much rest-day working. There has been an over-reliance on that in the past. Yes, it is what was being asked for. It is what was being asked for by the Mayors in the north-west as well. Hopefully it could be good. You can all read the statement, but I understand it was not accepted.

**Chair:** Before I turn to Chris, I have Mike and Karl with a couple of quick supplementary questions.

- Q25 **Mike Amesbury:** Thank you, Chair. This relates to that question. Using the expertise of the panel, call me old fashioned, but would it not be a good idea to employ enough drivers, and train enough drivers, rather than relying on rest days? Would that be a sustainable game changer?

**Lord McLoughlin:** I think I said that earlier on, so I agree with you. But, given the time it takes to train, it is not an instant answer. We are talking about 18 to 24 months to train a driver.

**Mike Amesbury:** Talking from experience, I can look at when Virgin had to the franchise for the west coast main line and I would sit on the train, or walk up and down it, and see less staff. Then I see figures that verify what I experience, and, very importantly, what lots of people across the north are experiencing.

- Q26 **Karl McCartney:** This follows on from that; maybe Mr Smith might want to answer it, rather than Lord McLoughlin. Whose fault is it? I have asked that of one of the companies, because I see it as a management issue. It is not the union’s fault. We have just had my new colleague on the Committee ask the same question as I am asking. It might take a year or two to train a driver, but during the lockdowns and covid, the various train companies around the country made managerial decisions about training, which drivers they retained, who they put on furlough and who they let go. In the panel’s opinion, did the management of the various train companies get it right, or are they paying the price now?



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**Anthony Smith:** Just to return to Mr Amesbury's point about rest-day working, it is worth remembering why it occurred in the first place. It suited staff, because access to overtime made jobs much more lucrative. It suited the industry, because it did not have to have so many full-time members of staff on its complement to pay. I think getting rid of rest-day working is good and will help resilience, but it does come with quite a hefty price tag. You have to massively increase the number of permanent staff you have got to be able to cover all of the days you are running the trains. As the Committee will know, the industry is facing quite an existential crisis at the moment in terms of funding. The passenger revenue coming in is way below what it was pre covid. The costs of the industry are going up and up, like everything else in the economy. It is not quite the parity it perhaps looks like on the surface.

In terms of blame, gosh, there is a lot of history. I think there are a whole host of factors that make it frustratingly difficult to point the finger and say, "You are to blame." The franchise system has had advantages and disadvantages. At the end of franchises, train companies that were not continuing tended to get much less interested, and they did not want to spend a penny that they weren't going to be able to take with them. There is a whole history of patchy industrial relations on the railways, although we had a period of stability for quite a long time. Clearly, there were some management decisions that were questionable. But unfortunately, I think it is a real mixed picture. Sorry; I can't add any more.

Q27 **Karl McCartney:** Jennifer, you have a comment.

**Jennifer Williams:** I was just going to say that from the public's point of view, it can feel like a circular firing squad. Government, TOCs, unions and Network Rail—there are portions of responsibility and blame, I imagine, to go around all four. The frustration, certainly in the north of England, is that it always feels as though passengers there somehow lose out as a result of that dysfunction, and they seem to lose out for longer before anything actually happens as a result. Just to make a point about the Government, ultimately the Government is in a position to hold operators to account for whether they are fulfilling what passengers are led to expect. But actually, all people want in the north of England at the moment is a reliable service; people's expectations are not even that high.

There is another point that I want to raise. I just do not understand why it costs half as much to travel from Leeds to London on the east coast main line as it does on the west coast main line for Manchester. I don't understand that; I would love to have an answer. Does anyone, anywhere within the system, think that that makes any sense?

Q28 **Karl McCartney:** Probably not. Now you are asking questions and I am trying to give you answers! I am not speaking for the Department at all, or any of the train companies.

Obviously, there are issues, and you have just alluded to some of them, but do you think that the companies, those in charge, are learning lessons? I would love to drill down on things like the TransPennine



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Express. It is not really trans-Pennine and it is certainly not express, but it is a really good east-west link for all sorts of people. Whether it is from my constituency of Lincoln or right across Lincolnshire, they will travel north to get there, to get across to the airport or get across to Manchester or the north-west. It is a really well utilised service, if it runs.

**Jennifer Williams:** If it runs. I think TPE has a lot of quite complicated problems hitting it at the same time. It is worth mentioning that part of the driver training issue at TPE is going to be ahead of the trans-Pennine route upgrade, which in and of itself is delayed—very delayed. So you have that intersection with infrastructure delays as well. At the same time, it is worth pointing out that this is not the first time that we have seen train driver shortages at TPE; it is not the first time that TPE has pointed to them and said, “This is the reason why we are not able to fulfil our timetable obligations.” What a lot of people have said to me within the sector is that TPE has overpromised at points and then has found that actually it is not possible to deliver this timetable. Indeed, with the timetable that just came in on Sunday, I think that TPE was saying that it had introduced 26 new services, but then lower down in the same email it says, “Oh yes, by the way, we are going to suspend 12 of them on day one.” The cancellations that people are experiencing are obviously going to be on top of that timetable suspension. There is a whole myriad of things going on at the same time, and what the public see is that they are not able to get a train.

Q29 **Karl McCartney:** It’s a bit smoke and mirrors, isn’t it?

**Jennifer Williams:** Yes.

Q30 **Karl McCartney:** Can I give Martin or our former colleague a chance to come in?

**Lord McLoughlin:** The vast majority of people who work on the railways work incredibly hard to try to provide a very good service. I don’t think one should underestimate that. There are people who are dedicated. It is fascinating sometimes to meet some of these people and see the nth degree they go to in order to try to provide services.

A number of issues are causing problems. The trans-Pennine upgrade is a very important set of infrastructure. It is very expensive. It is taking a long time, and unfortunately these things on the railways do. One of the biggest problems, particularly around Leeds, is the station capacity. It is a question of sorting that out and trying to deal with it. Your earlier report was a fundamentally good report on TransPennine. I am very much hoping that the chairman at the time, who now of course has a different responsibility, takes very much on board what that report brought to fruition, and that you will hold him to account in future times as far as that is concerned.

There aren’t single bullets. The answer, at the end of the day, is a reliable service so that people are able to use a train, knowing it is going to be there on time. If there have to be less services, there have to be less services, but let’s make it reliable and not have this P notice thing. I do



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not want there to be less services, by the way. I am just saying that is better than cancellation and, as Mr Morris said earlier, if you have a train service every hour and one is cancelled, you are stuck on a not very nice platform for two hours.

**Martin Tugwell:** I think we have been consistent, as TFN, on the importance of empowering the operators to have the ability to respond to situations as they arise. In the north, we have the first steps of devolution in the form of the Rail North Partnership, which is where Transport for the North works alongside the Department. I think it is fair to say that the board is keen to see greater devolution, involving devolution to the metro Mayors as well so that they have the opportunity to align local rail services to the total offer, but I think there is something here about empowering the operators and giving them flexibility to be agile in different circumstances and respond. That is certainly something we will be pushing for as Transport for the North as we move forward.

**Chair:** Very briefly, Anthony. The clock is somewhat against us at the moment.

**Anthony Smith:** If you cast your mind back to about 2018, we did some focus groups with passengers pre the whole rail reform process. We explained to them how the industry works. The general comment was that it is a complete miracle that anything runs at all. There are so many people involved. We spend a lot of time talking to Network Rail, train companies and rolling stock companies—whoever. The people you deal with are, by and large, competent, capable, good people who want to do a good job. The system is mightily complex and stops them doing a good job a lot of the time. But the one thing that passengers said, and the benefit of the London system, is that it is clear who is ultimately in charge. The Mayor has his name across everything. You point to him and say, “You’re in charge. You make it work.” I think there is something about accountability in all this that I think Martin was referring to, which is actually very important.

**Karl McCartney:** Thank you for that clarity. Thank you to all four of you.

**Chair:** Just to advise, we need to finish this session promptly at 10.15 am. I will turn first to Chris and then to Ben. Please make your questions very brief.

- Q31 **Chris Loder:** Okay; thank you, Chairman. Jennifer, I just wanted to come back to you to correct a point you made earlier—that it is cheaper to go from Leeds to London than it is to go from Manchester to London. That might have been the case until 10 minutes ago. Mysteriously, Avanti West Coast have set all their Manchester to London off-peak fares at £98.10. I just thought I would let you know that that has mysteriously happened in the last few minutes. Strictly speaking—compared to £111.20 from Leeds to London—it is now cheaper to go from Manchester. Let us hope it stays that way.

**Jennifer Williams:** It’s a steal, isn’t it?



- Q32 **Chris Loder:** Isn't it? Anthony, you said a little bit about the revenue situation earlier. You also said about the existential threat that we face financially. We heard evidence earlier that, in certain parts of the railways, especially in the north, passenger numbers have gone up to about 140% of pre-covid numbers. So those two things do not quite work together. We are seeing, in some places, 140% of passenger numbers, yet still the same demand. If you look at the DFT accounts, you will see that costs have gone up, not down, in the last 12 months compared to the previous year. What is more, those passenger journeys tend to be higher yielding and generate more revenue than the previous shorter commuter journeys. I wondered if you had any response to that pushback from me, to say, "Hold on a minute, these things don't quite add up." You have 140% of the passengers you had before covid—some of them more off peak, longer journeys, higher yielding—but lots of money is still needed. Can you help me out with that?

**Anthony Smith:** I think the old adage used to be that the front of the train funded the back of the train. The business travel was very lucrative in terms of yield, and the business market has gone, pretty significantly, to a very small proportion of what it was before. I suspect it will not return. Zoom has finished it off. There has been a loss of annual season ticket revenue from the commuting market. That was money in advance every year, up front—a nice steady income. I think the rail industry's income is now much more discretionary from passengers. They have got to fight for it, and the industry has to be an efficient one that can really deliver for passengers. I note your point about the contradiction, but some underlying trends are pushing that in different directions.

**Chris Loder:** Wonderful, thank you—

**Chair:** Very quickly, because I want to bring in Ben before we end this panel.

- Q33 **Chris Loder:** Everyone has stopped short of saying that Avanti West Coast should be stripped of its franchise. Do you think that—yes or no? You don't need to say why, because we have heard many reasons why and I think we will hear more. Do you think it should be stripped of its franchise—yes or no? Shall we go from right to left?

**Anthony Smith:** I am going to dodge that one, Mr Loder.

- Q34 **Chris Loder:** Please don't. You are here to represent the passenger, Anthony.

**Anthony Smith:** The underlying issues will not change simply with a change in the three people at the top of the management tree. They are the only people who would change. I am not convinced that changing the franchise would make a huge difference.

**Jennifer Williams:** I am going to dodge it because I have to report on these things. However, I think the Government were very slow to recognise that there was an issue with that contract. The six-month



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extension has to lead to something. It can't just be a six-month extension and then still be rubbish at the end of it.

**Lord McLoughlin:** I am going to slightly dodge it by saying that I want to see Avanti West Coast deliver what it promised to deliver. If it delivered what it promised, there would be no need to strip it.

**Chris Loder:** So if it—

**Chair:** Sorry, Chris. I really must move on. We have only four minutes left, and I would like to bring in Ben.

- Q35 **Mr Bradshaw:** Why not just do what was done on the east coast main line and put it back into public ownership? That seems to be working very well.

**Jennifer Williams:** When I have asked that question, it has been mentioned to me that the OLR only has a certain amount of capacity. That function is only able to run so many services. Other people on the panel may tell me that I am wrong, but that is what I have been told when I have similarly asked why they don't just bring it in because they already run LNER, and so on.

- Q36 **Mr Bradshaw:** But who is telling you that?

**Jennifer Williams:** People who I have been talking to in the industry—people who know more about this than I do, in reality—when I have been researching articles.

- Q37 **Mr Bradshaw:** It is not the view of the unions. Mr Smith?

**Anthony Smith:** Passengers are fundamentally unconcerned about who owns and operates bits of the railway. They want the promises delivered, whether that is by the operator of last resort, the private sector or open access operators. They want to get what they pay for.

- Q38 **Mr Bradshaw:** But do you dispute that the east coast main line is running very well under public ownership?

**Anthony Smith:** It is running relatively well, yes.

- Q39 **Mr Bradshaw:** You have all been very critical of the franchising system, but you don't seem to be prepared to stick your necks out to say that it should be changed and we should bring the railway back into public ownership.

**Jennifer Williams:** We have not really got a franchising system.

- Q40 **Mr Bradshaw:** Well, the current system. You seem to suggest that no one is really in charge of it and no one has accountability. I don't know who it was who said that there was no real accountability.

**Anthony Smith:** The counter to that point is that the open access operators, who are operating semi-independently of the national rail network system, are providing an extremely good service.



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**Mr Bradshaw:** Okay, thanks.

**Chair:** Thank you to our panel this morning. It has been helpful to give us a greater insight into the issues that passengers are facing in the north of England. You have certainly given us some additional information to put to the next panel of witnesses. Thank you all very much for your time.