

Transport Committee

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

Wednesday 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 41 to 156

Witnesses

[II](#): Nick Donovan, Managing Director, Northern Trains, Matthew Golton, Managing Director, TransPennine Express, and Richard Scott, Director of Corporate Affairs, West Coast Partnership.

Examination of witnesses

Witnesses: Nick Donovan, Matthew Golton and Richard Scott

Q41 **Chair:** Welcome to our second panel of witnesses this morning. For the record, could you state your name and role, please?

Nick Donovan: I'm Nick Donovan, managing director of Northern trains since March 2020, when Northern trains came into public ownership.

Richard Scott: I'm Richard Scott. I'm the director of corporate affairs for the West Coast Partnership, which is comprised of Avanti West Coast and West Coast Partnership Development, which is the shadow operator for HS2.

Matthew Golton: Good morning, I'm Matthew Golton. I'm the MD for TransPennine Express. I've been in post since June 2021.

Q42 **Chair:** May I start with you, Mr Scott? When you appeared before the Committee earlier in the autumn, you said that you had 100 new drivers on the way on to the operational list. How many of those have now come into service?

Richard Scott: They are on track. I think we have something like 95 of the 97 that were planned. They have entered into passenger service. There have been a couple who unfortunately were involved in fatalities during training, which, as you can imagine, is extremely distressing and sets them back, so they have unfortunately not been able to enter service. We are on track to introduce pretty much the full 100 that I talked about.

Q43 **Chair:** That should mean that, notwithstanding the wider industrial issues on the network, your passengers should now have the confidence to be able to book and travel.

Richard Scott: The most important thing is the new timetable. The new timetable came into force on Sunday 11 December. That is what everyone has been working to over the recent months. That is the absolute cornerstone of getting things back on track and providing a reliable, sustainable, robust service. That came into being on Sunday, as we promised. That is a 40% uplift in services. It is back to three trains an hour between London and Manchester. It is two trains an hour between London and Birmingham, with a third train in the peak hours. It is more services to Chester and north Wales. All our principal routes are having more services now—strikes aside—than they would have had pre the problems in the summer, so compared with May, for example.

Q44 **Chair:** Just on the first couple of days of operation before the current industrial action took place, how many services did you have to cancel at short notice?

Richard Scott: There were some short-notice cancellations on the Sunday and the Monday, particularly on the Monday with the weather that we had.



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As you can imagine, that caused problems with staff not being able to get to work in some cases. There were some infrastructure problems. There were a couple of fleet defects. There were some childcare issues that meant that people could not come to work as well. But despite all that, we still ran more services on Monday than we did on the previous Monday.

- Q45 **Chair:** I think you were in the room to hear our previous witnesses. One of the key issues that passengers require is confidence that the train that they want to travel on will run. Given the recent disruption that is ongoing, are you having to prioritise any particular routes?

Richard Scott: No is the short answer. The new timetable is designed with industry partners and other train companies—Network Rail and so on—to make better connections for the whole network. It is not seen in isolation but is being treated holistically. It will have more services in place for all our principal routes than we had prior to these problems. But I absolutely agree with your previous witness—I think it was Anthony Smith—who talked about confidence. That is the key. People need to rebuild their confidence. That is not a switch we can flip overnight. The way we will rebuild that confidence is by delivering consistently so that people start to think, “Actually, yes. I can rely on Avanti.” That is what we will do.

Chair: Could I put the same question to the other two operators, please?

Matthew Golton: In terms of the services that we operated on Sunday and Monday, on Monday we had 88 services that were pre-cancelled on Sunday. We were impacted by weather on Sunday and going into Monday, which affected some services. We also had a rostering issue at York, which is an issue that we have resolved, but it will have an impact this week and next week.

Nick Donovan: We planned more than 2,500 schedules on Monday. We had always planned to have a small number of schedules removed just before the day as part of our phased introduction. Forty-seven were cancelled before the day—about half the number that we had previously anticipated—and on the day, in addition to those, we cancelled 7.4% of services. That was predominantly down to sickness absence. There were some other issues around the network, including some fleet reliability issues in the cold weather, but the predominant issue for us is sickness absence.

- Q46 **Chair:** I want to ask Northern and TransPennine about recruiting additional drivers. Can you update us on how you are increasing your workforce?

Matthew Golton: Sure. In the case of TransPennine Express, five years ago we had 371 drivers; we now have 576 drivers and trainees. We will have recruited 113 drivers this year. We have never stopped recruiting drivers. The big significant issue for us is the training backlog, getting ready particularly for the trans-Pennine route upgrade, which probably places more demands on TransPennine Express than on any other northern operator, because we need to get ready for the diversionary



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routes that we will be using. This year, there will be 85 days of trains diverted; next year, it is 147. We are also getting ready for the December timetable change. We believe that we have had more demands on us from a driver training perspective than any other operator in the north. I would be happy to talk about the particular challenges that we face this year in due course.

Nick Donovan: We have a total productive headcount of just over 1,700 drivers. For our December '22 timetable, we need about 1,600, so I am confident that we have enough drivers in the population. We have been running a programme for the last couple of years to recover from the covid position, in terms of driver training, and of course early in 2020 we had training associated with our new fleet introduction with the withdrawal of the Pacers and so on. That has concluded. I had forecast that it would be concluded before the December '22 timetable, and we have achieved that.

In terms of ongoing training, the pipeline is fully up and running. We have 167 drivers in training at the moment in the academy or in the regions, and we are forecasting 154 recruits over the next 12 months. We recognise that Northern is a feeder TOC, effectively, for drivers into the industry. Northern has the largest number of drivers recruited of any of the train operators, so it is critical that we get our training pipeline up and running. We have done that, and it is running very smoothly.

Q47 **Chair:** Thank you. I want to ask a very general question. When can you tell anyone watching these proceedings that things will be back to normal for your operations? When can they have confidence that their train will be turning up?

Richard Scott: For us, the key is the new timetable. As I say, it came in on Sunday. If we put strikes to one side, that is the bedrock for rebuilding that confidence. We are still working through a couple of details with a couple of our depots, but broadly speaking it is there. There will probably be short-notice cancellations due to flu season sickness, but it won't be on the scale that people have previously seen. We are running the timetable that we said we would run.

Chair: TransPennine?

Matthew Golton: Let me say at the outset that we are sorry that we have let customers and communities down with the service delivery that we have had this year. That is important to say. Like Northern, we have a very strong pipeline of trainees coming through. Every driver who qualifies and builds up route knowledge gets us to a more resilient position. We haven't had the benefit of rest-day working for the last year among our driver community. That will make a material difference to our progress if we can get it back, but we are very clear that what we have to do over the next few months is get the timetable performing more reliably and make significant inroads in the number of cancellations. That is what we are going to do.



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Nick Donovan: I will put the numbers in context. What the customer feels at the moment is about a 7% cancellation rate on our network, with 2.3% of services that are pre-advised before the day. We show those of cancelled in the schedules—you can see the numbers on our website—and then there are other cancellations on the day. We are shy of target, at the moment. We are not where we want to be in terms of cancelled services. Certainly, it is the cancellations that are causing pain to customers.

As for the cause, if I look at the reasons that are within our control, about 70% of those are to do with sickness and absence. That's why we're putting a focus on that. It's not an immediate fix. Our sickness levels are running at about double the normal rates at the moment; in fact, some depots are up at 14% or so. So we are working through that.

I can't give a precise forecast on when that will be dealt with, but this period we have seen an improvement against targets on the delivery of the service of the cancellation rates. And I am really pleased to say that in terms of the rostering arrangements for our crews, down to the really good work between the local management teams and the ASLEF representatives, I've been told that for the first time ever, or the first time in the last decade, that those rostering arrangements are agreed before this timetable. So we've got a very solid set of resourcing arrangements that have come into place this week, the benefits of which will be seen once we're through this industrial action period.

Q48 Chair: Before I turn to my colleagues, I want to touch on one other area where we have had considerable evidence given to us. That is the impact on more vulnerable passengers, particularly disabled ones. What assessment have you made of the particular impacts that disabled passengers and other vulnerable passengers have experienced?

Richard Scott: Our vulnerable passengers and those with additional needs have had an unacceptable service in many cases over recent months. I was absolutely clear to the Committee when I appeared last time, and I am again now, that the service we have provided over recent months has not been good enough and we apologise—I apologise unreservedly for that.

However, the key to all of this is getting back to a stable timetable that we can deliver, because, of course, if you have reduced numbers of services running on a day but you still have the same number of passengers, you can imagine that those services are much, much busier. It then means that it is extremely difficult in some cases for additional needs to be met, which is totally unacceptable. The key to everything is the new timetable.

Nick Donovan: I absolutely recognise the issues that disruption causes in that space. We have got a great track record in engagement on the accessibility agenda. We are doing a lot of work with the Northern accessibility user group with people who have lived experience and we are using those people to support this. And we have a 10,000-strong customer panel, from which we take customer insights and so on. That has informed



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all of our plans in terms of how we train our crews and so on to handle the disrupted services when they occur.

- Q49 **Chair:** TransPennine, we have had reports that customers trying to book wheelchair space over the Christmas period and on strike days have not been able to do so. Is that correct?

Matthew Golton: I will happily look into that and respond to the Committee; I am not able to answer that question immediately here, but I will take it away. It is a very serious question.

Echoing what other colleagues have said, service that is unreliable and that people don't have confidence in affects all users, particularly the vulnerable groups. Anybody who has booked assistance with us, whatever the cancellation we are making contact with them and talking with them about their journey.

I travel on the network frequently myself. I see the way in which my colleagues look out for people who need assistance and look after them, and look after them as well as they can, when services are disrupted.

- Q50 **Mr Bradshaw:** Mr Scott, have you ever thought about changing your company's name?

Richard Scott: No.

- Q51 **Mr Bradshaw:** But it's a misnomer, isn't it? Avanti means forwards, and you have been going relentlessly backwards ever since you took over from Virgin.

Richard Scott: It has not been good enough over the last few months—I completely accept that—but we are moving forwards now. The timetable that came in on Sunday is the way to do that. We said we would do it; we have done it. We've been working relentlessly on that for the last few months. The whole business—right across the business—has been solely focused on that.

Again, our service has not been good enough. I want to be very clear on that and I am sorry for that. But we have done what we had said we were going to do. We have brought in a new timetable, and we need to make that work now. That is the key.

- Q52 **Mr Bradshaw:** Why should the public have any more confidence that things will improve under this new timetable? When you changed the timetable last time, the quality of service under that timetable got worse.

Richard Scott: That is a good question. The timetable step-down that we did in August was unfortunate but necessary, because we were not having anyone volunteering for rest-day overtime, which is entirely their right. We were in a situation where we were always dependent on rest-day working—we have been for decades on the west coast. The new timetable redraws the rosters, so it is no longer dependent on rest-day working. If you can imagine that you need a certain level of drivers to run services, in the previous roster we had a surplus on Tuesdays, Wednesdays and



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Thursdays and a deficit of normal working Friday to Monday, broadly speaking. We have now equalised it across the week, so that is the absolute key.

- Q53 **Mr Bradshaw:** Do you admit that your reliance on rest-day working is the main reason that your performance has been so much worse than that of other operators around the country?

Richard Scott: Absolutely.

- Q54 **Mr Bradshaw:** Why did you not address it earlier? Why did you not foresee that as a problem?

Richard Scott: It has been in place for decades and has never caused us a problem previously. This is unprecedented and, as far as I am aware, unique; drivers decided that they were no longer willing to volunteer. As I say, that is entirely their right and I do not blame them for that at all, but it is a fact. We then had to take steps. Over the last few months, we have been working to redo the rosters to not rely on rest-day working.

A really important point, which I would like to make, is that we have done this with the unions and their representatives. We have had full consultation with all the depots on our network and I pleased to say that every depot in the catering grade has agreed the new roster. Every depot in the train manager grade has agreed the new roster, and six of the eight depots on the driver grades have agreed the new roster. We are talking this week to the two that are left—Wolverhampton and Euston—and we hope we will get to agreement with them too.

- Q55 **Mr Bradshaw:** Mr Golton, what is your explanation for your company's poor performance compared to other operators around the country?

Matthew Golton: It is worth noting, Mr Bradshaw, that in the period up until December 2021 we were experiencing the best performance that the business has done, taking aside the covid year, certainly in over a decade and arguably in the history of the business, going back to 2004. That year had no industrial action and we had driver rest-day working in place. In TP's case, as I have said, we have got a very significant demand upon us from a driver training point of view, which stems from three reasons.

First, we came out the back of the first year of the pandemic with a backlog in training. I think Mr McCartney made a reference earlier to that period. During that period there were restrictions on undertaking training. Effectively, there was an eight-month period, as I understand it, where driver training was very difficult.

The December timetable for TransPennine results from a very significant structural change. It is important because it provides connectivity from Hull to Liverpool, from Cleethorpes to Liverpool, more services to Saltburn and, critically, the service changes in Manchester, which have been very important to Manchester, that are for TPE but also for Northern. We did not have a choice about making that structural change; we had to get ready for it.



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The trans-Pennine route upgrade, which is a £10 billion investment that I am pleased to say is going forward, makes very significant diversionary demands upon us. It takes time to get train crew ready for that. On the route via the Calder Valley, which is a diversionary route, it takes between 12 and 15 days to train the driver.

So this year we have seen a number of factors. We have not had the benefit of rest-day working since December 2021. Training is often enabled by rest-day working, particularly where you have circumstances—I experienced it myself on Great Western—where you have unusually high demands on an operator because of the enhancement programme. We have seen high sickness and we have also seen local and national action, all of which have eroded and hobbled our ability to make progress, but we have been going at it hammer and tongs to make the progress that we can. The truth is that we arrive here still with gaps in our knowledge and competency, which we are building up.

- Q56 **Mr Bradshaw:** You mentioned Great Western. Your parent company runs a perfectly good service down to the west country. When will your services match the quality of those? In what timeframe?

Matthew Golton: We have to make as much progress as we can with the training, and that is what we are doing.

Mr Bradshaw: Are we talking months or years?

Matthew Golton: As I said, we are going to make some serious interventions over the next couple of months—that is our aim. Getting rest-day working back, if we can, would be advantageous to that and make a real difference to our training programme. The other thing that is worth drawing out for the Committee is that it takes longer to train—four to five months longer—without rest-day working than it does with it. Drivers can leave at six months' notice and, as was referred to in the earlier part of this Committee, it takes between eight and 18 months at the moment to train a driver, depending on their background.

- Q57 **Mr Bradshaw:** Mr Scott, you only have the six months' extension, haven't you? When do you think your service will match that of Great Western?

Richard Scott: As I say, the new timetable, the new rosters and the new diagrams are all in place. We have to get through the strikes that we have this week—and, of course, in early January—but we expect to deliver a good service from now on.

- Q58 **Mr Bradshaw:** You all still use P code cancellations, I take it? Or do you not use P code cancellations? Have you stopped doing that?

Richard Scott: We have never used them, as far as I am aware.

Mr Bradshaw: Mr Donovan?

Nick Donovan: If I can explain the P code cancellations—



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Mr Bradshaw: We understand how they work.

Nick Donovan: We show cancellations before the day of the timetable.

Q59 **Mr Bradshaw:** Why do you do that?

Nick Donovan: There is one simple reason, and that is to give early advice to customers of cancellations.

Q60 **Mr Bradshaw:** Early? It is the night before.

Nick Donovan: We aim to put those out 48 hours before. I am really clear that as soon as we know that we are unable to run a train, we must advise customers as soon as that is possible. The mechanism by which to do that under the delay attribution guide is through a so-called P code—

Q61 **Mr Bradshaw:** So you do not do night-before cancellations? None of you do night-before cancellations.

Matthew Golton: No, we do.

Q62 **Mr Bradshaw:** You do. When are you stopping that?

Matthew Golton: As soon as we are in a resilient position. But can I—

Q63 **Mr Bradshaw:** But do you do that because it means that your cancellations do not show up in the ORR figures?

Matthew Golton: No, absolutely not.

Q64 **Mr Bradshaw:** Why do you do it?

Matthew Golton: It is all about the customer, Mr Bradshaw. What we are trying to do is get the best match between the resources and the services that we can run. Right up until the day before, we are seeking to run the maximum amount of services. Once we P code, that information goes automatically through to passenger-facing systems and to our own app, as well as National Rail apps, JourneyCheck and so on. It is really important that customers have the opportunity to find out as far in advance as they can whether they can be confident that their train is running. I do not think that you would want us to do it on the day, and that is why we do it.

Mr Bradshaw: A lot of people go to bed before 10 o'clock, so for them doing it the night before does not make any difference, does it? And it doesn't come out in the figures. Over to you, Chair.

Chair: Before I turn to Grahame, Greg and Mike have a couple of quick supplementary questions.

Q65 **Greg Smith:** Mr Scott, this is probably predominantly for you, although others might want to come in. It is about not just the comparison with other rail operators that Mr Bradshaw was talking about, but the knock-on impact of failures in Avanti to other rail operators.

I will give two examples specific to my constituency. Certainly, for services from Birmingham to London, Chiltern main line is the only other operator on that. We have seen at peak hours—indeed, at all hours of the



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day—massive overcrowding on Chiltern, which must in part be a knock-on effect of people being unable to get on an Avanti service from Birmingham. Likewise, lots of my constituents in the north-east of my constituency would go to Milton Keynes station and Bletchley station, in the Chair's constituency, as well as using Cheddington and so on where, equally, I am hearing complaints of the inability to get on those services.

What co-ordination do you have with other operators? Is there, dare I say, some sort of compensation for the impact that the failure to provide the service people expect from Avanti is having on those other operators? How are you interlinking with those other operators and compensating them for the negative impact on them?

Richard Scott: We talk to all the operators on a very regular basis. You can imagine that every operator has their own individual challenges. We have had significant challenges over recent months, as you rightly say, and I fully imagine that customers have voted with their feet and travelled on Chiltern instead of travelling with us in some cases. That will have made their services busier. When you get a problem in the rail industry, individual TOCs will talk to each other about ticket acceptance—for example, if there is an infrastructure problem on one route north, the passengers will be accepted by another route north. That is the BAU—how we would normally operate. This is a very different situation, and customers are making or have been making their own decisions.

- Q66 **Greg Smith:** There must be some compensatory mechanism here. The other day, I heard from a constituent who was forced to remain on the platform at Marylebone because the train on a Chiltern service to Birmingham Moor Street, which stops at various Buckinghamshire stations, was so overcrowded. I am not saying that that is entirely Avanti's fault, but in part other services are getting into a position where they cannot take the passengers choosing them instead, because the trains are overcrowded or too full; it is like a rush-hour tube, but on a main line service. There must be some mechanism.

Richard Scott: If people choose to buy a ticket from another operator, there is no mechanism for us, because that operator gets the revenue from the ticket. Of course, if people have booked with us and are delayed, Delay Repay kicks in and they can get up to a 100% refund.

- Q67 **Greg Smith:** Beyond the Committee, I urge you to reflect on the impact on other operators. They, equally, have finite space on reliable services, but are left to take the additional passengers.

Richard Scott: Absolutely. Whenever there is disruption, that is a common occurrence. In the past, we have had other train companies unable to carry passengers and our services have been packed, but that is because we accept their passengers on our services. We want to get people to where they want to go. Everyone in this room wants people to get to where they want to go, and the railway tries to work together in these difficult circumstances. But if people choose to buy with another operator, their relationship and their contract is with that operator, and there is no automatic compensation mechanism there.



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- Q68 Mike Amesbury:** Again, my question is to Mr Scott—you are popular today. On Monday, the Liverpool to Euston early services on the new timetable were cancelled. That had a knock-on effect. We still cannot get direct trains from Chester to London. When are things going to be rectified? Why should Avanti still have the contract beyond this six-month period?

Richard Scott: With Liverpool on Monday, I am aware that there were some problems first thing in the morning. I think the 06.43 ran exactly on time, the 07.43 ran slightly late, the 08.43 was cancelled and the one after that was an hour late, so there were problems in the morning. They were not cancelled right the way through—some of them did run. In the previous session, we heard that there is one an hour on the Liverpool route, which makes it more difficult for passengers. It was a difficult day on Monday, with the weather for various reasons, but we will absolutely try to protect those services where there is only one an hour, because we know the impact that that will have. Chester has direct services—16 a day in total, so eight each way—since Sunday.

- Q69 Grahame Morris:** Mr Scott, may I ask about the impact of the lack of train-qualified drivers on the service? Avanti is not an incidental branch line; it has the west coast main line, the very backbone of the network, not just serving the north-west, but with so much else of the networks depending on it, including the south-west, London and so on. What proportion of the issues with the timetable, delays and cancellations is down to driver shortages? Is that 100% of the issue?

Richard Scott: No, it is certainly not 100% of the issue. This is the problem we had in previous months, when the timetable was based on rest-day working and overtime, which the drivers decided they were no longer willing to volunteer for, but the new timetable is not based on that.

We have never had a shortage of drivers per se; there was a shortage of productive drivers—drivers in passenger service—because of the pandemic. People are working through training. It takes 18 months to train a driver, as the previous witnesses said, and our driver training was suspended or part-suspended for two years, so that caused us a bit of a backlog, but we have got through that now. We have enough drivers, but they were not in the right places, if you like, because of the rosters and the diagrams. That is what I was talking about earlier, with the levels.

- Q70 Grahame Morris:** I understand that, and Mr Golton told us it takes between eight and 18 months to train a driver, depending on the complexity. Can I press you on whether you have enough staff, particularly enough qualified drivers? The ORR figures indicate that since Avanti took over the franchise, which was only in 2019, you have lost 12% of the staffing complement—that is 446 fewer full-time posts. I don't know what proportion of those are drivers. How can you be confident that you have sufficient drivers to deliver on the promises? The RMT conducted a survey of their members who work for Avanti, and the figures indicate that about 80% of staff do not have confidence in your ability to deliver on the promises that have been made. That result is



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rather worrying, isn't it?

Richard Scott: Let me try to take those points in turn, but forgive me if I miss any of them—please remind me. On the ORR figures on staff numbers, none of those are drivers, as far as I'm aware. It would be utterly self-defeating for us to reduce driver numbers, so that has never been something that we have done. We have recruited drivers, and we have more drivers than the previous franchise, but they take time to get through the system, the training regime and so on.

On the numbers that have reduced in terms of full-time employees, I believe there were people on fixed-term contracts at the end of the previous franchise—not in the driver grade, but elsewhere. The contracts were not renewed, because the previous franchise did not know what the plans of the new franchise were. In the new franchise, the pandemic hit shortly afterwards. We obviously needed fewer people, so as people left of their own accord, naturally some posts were not filled. Also, I think we no longer manage Wolverhampton station; that would have been in that period as well, so that would have reduced the numbers. But it is not about drivers.

I fully accept that relationships with our frontline—our members of staff—have been difficult. They have done a great job in difficult circumstances over recent months, but the key is the reduced number of services. If you have fewer services running with the same number of people, passengers are disappointed and frustrated. Sometimes they take that out on the frontline members of staff, who cannot do their jobs as well because they cannot get through the train; it is too busy.

I come back to the point—sorry for repeating myself—that the key is the new timetable, with more services running reliably, because that will allow staff to do their jobs. It will allow their jobs to be more pleasant, and we can rebuild trust with them, just as we can rebuild it with passengers.

Q71 Grahame Morris: It is important to the economy in the north, the economy nationally, passengers, staff and everyone that the west coast main line operates on time, reliably and so on. What is the target for cancellations? Avanti have a six-month extension to the contract. Is it 1%, 5% or 10%?

Richard Scott: At the risk of sounding slightly flippant, our target will always be zero. We do not want to cancel any services. Inevitably, there will be cancellations on any given day, because you might have more sickness than you are expecting and have banked into the rosters. There might be fleet failures, and there might be infrastructure problems. But the aim of every train company will be zero cancellations.

Q72 Grahame Morris: If we have occasion to call you or Avanti back to the Committee, we can hold you to account in terms of measuring the percentage of cancellations.

Richard Scott: I am very happy to come back here every day if you would like.



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- Q73 Grahame Morris:** I wonder if I might ask Mr Donovan about some of the other issues, apart from driver shortages. I am very conscious of the Northern service in my own constituency. When there are issues with cancellations and services disruptions, is there a knock-on effect from other operators that impacts on the timetable and the service for Northern?

Nick Donovan: That probably picks up a little on the question earlier about the impact of one operator on another. I don't think this is in your constituency, but I will use an example to illustrate the point, because it is a good, worked example in the north of England: services between Sheffield and Manchester. That is a route with three operators, including ourselves. We provide about a quarter of the capacity on that route. Clearly, if all are not pulling their weight in terms of carrying volumes, there can be some challenges there.

There are a couple of points I want to make. First, referring back to Mr Smith's question earlier, I have been working with Mr Golton and the East Midlands Railway—the other operator on that route—on mitigating crowding issues there. In fact, we have been running on Saturdays and Sundays, when we have some spare rolling stock resource, six-car trains over that route. To be honest, if you had said to me a year ago that the local stopping service would be a six-car service over the Hope Valley, I wouldn't have believed it as a possibility for the future. That has been helping. We have been, where we can, redeploying that resource, and that of course helps, as does the ticket acceptance that colleagues have talked about.

- Q74 Grahame Morris:** I am sorry to be a cynic but having had assurances from Northern rail about a four-carriage service, when most of the services for my constituency, even in peak times, are two carriages, I look forward optimistically to seeing the additional capacity flowing through to other parts of the network.

Nick Donovan: Mr Morris, the plan is to run additional fast services on some of the ones you refer to on the Durham coast. That is what our aspiration is, for precisely that reason—because we see that crowding challenge.

- Q75 Grahame Morris:** It is a frequent source of complaint, particularly at weekends. We have received regular assurances from Northern, which are rarely honoured, I'm afraid. Once again, we will keep the pressure up.

Can I ask you more generally about the industrial dispute? A report in *The Telegraph* says the Department for Transport were insisting that driver-only operated services were a condition for any settlement. As far as I know, Northern rail services are not driver-only operated, and there would not be any intention to introduce that. What is the position on driver-only operated trains?



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Nick Donovan: That is a really interesting question. You are correct; at the moment, we don't have any driver-only operated trains on Northern. There are a couple of points I would make.

In terms of the Northern network, about 6% or 7% of the stations we stop at are gated, so it is broadly an open network in terms of customers, and if I remember correctly, around two thirds of our stations are unstaffed, so the presence of another person for customer support—on antisocial behaviour or accessibility, disabled assistance and so on—is critical.

Committee members may be aware that we have had a dispute running since 2017 around the role of the second person on the train. In 2018 or so, there were around about 47 strike days associated with that. Discussions around that dispute are still in a very positive space. ACAS is supporting us with those discussions. In fact, in 2018, both through Transport for the North and the Department for Transport, we got very clear support for a guarantee of a second person on every one of our trains.

Q76 **Grahame Morris:** I am grateful for that, but I am conscious of time. Is DOO—driver-only operated trains—a stumbling block in terms of the settlement to the industrial dispute from Northern's point of view? Presumably, from what you have said, it isn't.

Nick Donovan: I am not in the national discussions, clearly. I would observe that it is a very unhelpful term that is now being talked about within those discussions.

I have read the dispute resolution agreement that was put in front of the RMT as an offer to resolve this dispute. There is narrative in there around the method of operation of the train. But it is a fact that the term "driver-only operation" does not feature within that document. I think it is unhelpful that that is being used now in the general lexicon.

Clearly, there are networks around the world that are driver-only operated networks, including in the UK, but they tend to be more densely operated, frequent services. Clearly, there are methods of operation and we are in discussion with the RMT regarding adjustments to methods of operation to improve performance and potentially improve safety of operation, but the core principle for us—as I say, a principle that has been a key tenet of the ACAS-facilitated discussions—is that there will be a second person on every train on Northern.

Q77 **Grahame Morris:** I am sorry, Chair. I just want to reinforce that message. From the unmanned stations in my area, there are frequently only two carriages on the service from Middlesbrough to Hexham and Carlisle via Sunderland and Newcastle. If they were driver-only operated, goodness knows what would happen, because there are huge safety issues—you mentioned disabled access, people with pushchairs and so on. It would be unthinkable. Without staff either on the platform or on the train to assist those individuals, it is an accident waiting to happen. Can I put the same question to Mr Golton in respect of TransPennine? Is



this a huge issue for you? Is it an impediment to the settlement?

Matthew Golton: Like Mr Donovan, I am not involved in the central negotiations. We do not have driver-only operated trains. As Mr Donovan said, the role of somebody who gives that additional support is really important. My observation of the national discussions is that we are willing them to come to an outcome that works for everybody. We can all see the impact on the economy at large of this carrying on. As a collective, a railway family and anybody who can influence that, it is important to get to a positive outcome. The communities that we serve need that.

Grahame Morris: In Scotland, in Wales and in GB Railfreight, they have settled the dispute, and the common factor is that there was no driver-only operated stipulation. If the DFT is insisting on it, perhaps we can draw our own conclusions from that.

Q78 **Jack Brereton:** We are particularly sceptical about Avanti's ability to deliver the timetable, given the fact that over the summer we were promised that services would improve, and we obviously saw the reverse. What gives you the confidence that you will be able to deliver on the new timetable?

Richard Scott: Because we have brought it in exactly as we said we would do. It is in place. The vast majority of the rosters and diagrams have been agreed. It is working. It was a difficult start, particularly on Monday, with the bad weather. We have only those two depots left to agree. I hope we will get there this week, but regardless, the roster will be coming in for those depots on Monday if we cannot get agreement. That is the key: it is equalising the drivers, in particular, over the full week. We have never been able to do this before, because of the difficulty that it causes to do it. The problem that we faced in the summer led to the timetable step-down, and then we said, "Right, we're going to fix this now." Everyone in the business has been working on this solidly for months to get to 11 December and the new timetable.

But I understand why you might lack confidence in the service, and I understand why your constituents might lack confidence in it. It has been very difficult for them for months. We have let businesses, families, friends and communities down, and I apologise for that. They will not have confidence back overnight. We have to rebuild it, and the way we rebuild it is by being reliable.

Q79 **Jack Brereton:** What specific changes have you made over the last few months that mean that you can now be sure of running that new timetable?

Richard Scott: The absolute key is equalising the rest days across the week, instead of the rest day reliance being absolutely focused on Friday to Monday. There was a high requirement for overtime on those days and a surplus of drivers, in particular, on Tuesday, Wednesday and Thursday, and we have equalised it across the week, so we have enough drivers now. Instead of it being below the level at one point, and then up and then below at other points, we have equalised it across the week. That is a



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huge amount of work to do. It has required a lot of consultation with the unions and our people, but that is the key.

- Q80 **Jack Brereton:** Avanti passengers in particular have seen significant issues with buying tickets: sometimes less than 48 hours' notice of changes, not being able to buy tickets at all in some cases, and not being able to plan future journeys. Is that acceptable? What are you doing to ensure that there is proper notice and that people can buy those tickets?

Richard Scott: That has been unacceptable. It has been a facet of the difficulties that we have been in over the last few months. Generally, we are okay on weekdays, but weekends were a particular problem, and you are right that people could sometimes not book weekend tickets more than two or three days in advance. The particular problem was a combination of the short-term planning timetable that we have been on for the last few months—which needs a lot of work from the train planners all the time, because you don't have a solid long-term base timetable—and the engineering work, with engineering work every weekend right the way from September through to Christmas on our network. The combination of that meant that the train planners had to do a bespoke timetable for every single weekend, which was extremely difficult for them to do. Every time something happened, like a strike being called or a strike being called off, the timetable for that day had to be rewritten as well. There are only a certain number of people who can do it. We got in extra help, but it is unfortunately a very laborious process.

I am pleased to say that tickets are now available much further out. Weekdays are about 12 weeks out and weekends are, I think, all over four weeks, and we are pushing it to five—we will get up to seven or eight weeks by the time we get to February, I believe. It is a much better situation now. We do not have that situation of only a few days' notice that we previously had.

- Q81 **Jack Brereton:** That is certainly not the case for strike days, though, just to be clear.

Richard Scott: No.

- Q82 **Jack Brereton:** What do you think is a reasonable amount of notice you should be giving to passengers of those short-notice changes?

Richard Scott: If we took the general timetable, we want people to be able to book their tickets three months out—that's what we should be aiming for. For the strike timetables, of course, we get two weeks' notice of a strike being called. We then immediately suspend the tickets for those days because we do not want to sell more tickets for the strike days, as you can imagine, for good reasons. We redraw the timetable to our strike timetable and then the trains go back on sale. Of course, like all of our partners in the industry, we have been discouraging travel during the strikes. We want people to travel only if absolutely necessary, and it looks like people are heeding that. Unfortunately, changes to the timetable will be short notice when strikes are called.



Q83 Jack Brereton: To our other two witnesses, starting with Matthew, what specific changes have you been making over the past few months to ensure that you can run a much more effective timetable from now?

Matthew Golton: The absolute focus has been on crew training and trying to make as much progress as we can. We are bringing forward training where we can, because that will make a real difference in terms of the resilience of our timetable. That is where our focus is literally every day of the week: where are trainees, how do we get them qualified and how do we bring them through? For those existing crews, we are also focusing on how to build their knowledge back up. Those are two really key factors in terms of the resilience of where we are.

Nick Donovan: The key for me is sufficient crew, and I'm confident that we have sufficient crew. Efficient rosters, which are agreed with the local representatives, are also key. I'm confident that we have that. We are probably in the best place we've been on our roster efficiencies. The sickness point, which I talked about earlier, really is the driver for us. We have had a couple of issues that are now resolved. We had a disagreement in the west and central side of our business with the local representatives there, but that was resolved satisfactorily for all parties a month or so ago, so some of the impact of that has now gone away.

The last point I would make is around something that isn't in our direct control, but is certainly part of the wider industry discussions at the moment, which is the status of Sunday working. For our business, about 95% of our train crew are not committed to work on a Sunday, so we are reliant on what is effectively voluntary application of work. I was talking to a colleague on a station recently, who said, "Nick, the problem you've got is that it's a volunteer railway on a Sunday." I thought that actually sums it up pretty well. He probably expressed that in a better way than I was thinking at the time. That is an absolutely critical part of the current national position and something we need to resolve. It is actually included in some of the local discussions that we are having with the train crew representatives.

Q84 Jack Brereton: Are you confident in addressing all those issues to ensure that you are running a much more reliable timetable?

Nick Donovan: Certainly on train crew numbers and the competence of train crew, 17 of our 20 train crew depots are now in a better place than they have been for a long time in terms of competence levels. One of the other three is very close to its targets, and the two others are fairly close. There is some risk in there, and we do need to address that training position.

Ideally, we would have some rest-day working to support us, and we are in discussions with ASLEF at the moment on a potential rest-day working agreement that will support training across the business. That is in line with where we want to be for the long term—not reliant on rest-day working for the delivery of service. That is certainly the ASLEF position as



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well, but we all recognise that, for training and certain other circumstances, that is a useful tool to have to ensure resilience of delivery.

- Q85 **Jack Brereton:** Matthew, TransPennine has described the new timetable as challenging. Is this something that you are concerned about? Are you confident that you are able to deliver fully the new timetable?

Matthew Golton: Nick and I both go to the Rail North Committee and we talk to elected representatives there, and I was very clear about this timetable. Given the circumstances we have had this year, going into the talks we will be demanding and clear at the outset. We have been talking to stakeholder groups about that.

What I can say for myself and my team is that we do feel it very keenly when we let people down. It is not a position we want to be in, so we are using everything we can to get back to where we need to. I should mention that our Sunday services have been impacted by a local dispute that we hope we will be able to make progress on so we can get the Sunday services back where they need to be.

I think the new timetable is very important from a connectivity point of view. It is something people have been looking for in the north of England for a long time. It is really important that we stand it up well. Literally every person who we get with extra knowledge and qualifications makes a difference, including as we work through some of the local sickness issues we have, which are similar to the ones Mr Donovan has described.

- Q86 **Jack Brereton:** I have a final question about the wider franchise commitments. With Avanti, for example, you had commitments to invest in stations and make improvements to stations, none of which seem to have been delivered. I speak with experience from my own area in Stoke-on-Trent. We have not seen the investment that was committed as part of the franchise to improving station facilities. Are you going to deliver any of these improvements to stations, or is that now not going to happen?

Richard Scott: We absolutely have been delivering improvements across the network, but some improvements have been impacted, first by the pandemic. As you know, we had supply chain problems, which various suppliers had, including getting people on site and difficulties around that. So some projects have been pushed back.

There have also been a few projects that have been impacted by the strikes, for the simple reason that we have managers out running trains, and when they are out running trains and doing training to be able to be confident at running trains, they are not doing their day jobs, as you can imagine. There have been impacts from that as well. Let me come back to you on the Stoke situation.

Chair: Just before I turn to Chris, Mike has a quick supplementary.

- Q87 **Mike Amesbury:** To follow up on Jack's question, there are a significant number of trains that my constituents and I travel on where toilets are



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out of order, catering is frequently not working and the trains are dirty. How are you dealing with that, Mr Scott?

Richard Scott: There has been more strain on the network's fleet because there have been more people on those services, as you can imagine with fewer services running. That has put more strain on keeping them clean, but that is not good enough. We need to make them better. It is as simple as that. The timetable will help with that, because it will spread passenger demand and there will not be as much strain on the trains that are running. We do have a defect reporting system, where anything that is wrong on the train can be reported by members of staff on their app, and then our train partners will pick it up, but if there are specific examples, I am obviously happy to look into them. Please let me know if you experience any, and we will look into them precisely. But as soon as we know about any defects, they are reported and they should be fixed.

Q88 **Chris Loder:** Hello everybody, it is good to see you again. First, I want to ask Richard something that builds on what Jack was asking. On the new rail contract that you have, my understanding is that all the prior commitments in earlier contracts to enhance the railway are not in that contract. Will you tell us to what extent enhancements are in that contract or not? Were they blanket taken out because we are in an emergency?

Richard Scott: No. There may be some exceptions, but in the main it is the complete reverse. They were blanket carried forward into the new emergency recovery measures agreement.

Q89 **Chris Loder:** Okay. Thank you. Just coming back to delivery and train drivers, can you tell us how many fully productive train drivers you have?

Richard Scott: We have 602 on the books. There will be a number in training—I am not sure offhand how many.

Q90 **Chris Loder:** The question was "fully productive." So there are 602 fully productive drivers not in training?

Richard Scott: There are 602 in total. I will come back to you with exact numbers.

Q91 **Chris Loder:** If you could, that would be great. What is the vacancy gap, in terms of fully productive drivers? You have got a fully productive number—the actual number—and you have got the number of drivers you need.

Richard Scott: We have enough drivers to run the service, but driver recruitment is a continuous process. We have a driver recruitment campaign in the new year—it has to happen all the time.

Q92 **Chris Loder:** The question is about your vacancy gap. Are you telling us that your vacancy gap is zero for productive drivers?

Richard Scott: I am telling you that we have enough drivers to run the service.



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Q93 **Chris Loder:** My question to you is: is your vacancy gap zero?

Richard Scott: I am not entirely sure what you mean by “vacancy gap”.

Q94 **Chris Loder:** You have just said that you have all the drivers you require to run your committed timetable to the DFT. Therefore, your vacancy gap is zero, I am assuming.

Richard Scott: Yes, we might have a couple—

Q95 **Chris Loder:** Feel free to write back if it is easier.

Richard Scott: I will come back to you with the exact details.

Q96 **Chris Loder:** My follow-up question is about understanding the rest-day reliance that you have. Are Sundays inside or outside the drivers’ week for you?

Richard Scott: They are outside, but they are contracted to work a minimum number of Sundays. I think it is 26 Sundays a year. Slightly ironically, Sundays are historically less of a problem for us than Friday, Saturday and Monday.

Q97 **Chris Loder:** Of your typical day—Monday to Friday—what percentage of your shifts are reliant on rest days?

Richard Scott: I would have to come back to you on that. Now we are not reliant on rest-day working to deliver the core timetable. This is the new timetable, diagrams and rosters that are in place, and they do not rely on it.

Q98 **Chris Loder:** This is the new one, but what about the previously committed timetable, which included three trains an hour from Manchester to London and so on?

Richard Scott: Yes, it would have varied per day. It was probably very low—if anything—Tuesday, Wednesday and Thursday, and then higher Friday, Saturday and Monday. If you want the exact percentages for those individual days, I will come back to you.

Q99 **Chris Loder:** That would be great. Thank you. Going forward, do you have any intention to return to your previous timetable levels?

Richard Scott: Do you mean return to a reliance on rest-day working?

Chris Loder: No, to your previously committed timetables, before the emergency measures—pre covid, I suppose.

Richard Scott: Pre covid is a different situation. We are in a different world now with different travel patterns—people are travelling less during the week, and so on.

Q100 **Chris Loder:** I understand that, but are you intending to go back, or is the DFT contracted with you to deliver a new timetable? I think there is a difference of understanding as to expectation. I think a lot of people are expecting a pre-covid timetable to be coming our way. From what you



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are alluding to, that expectation is probably not right.

Richard Scott: I will slightly dodge the question by saying it may come back or it may not. It depends on travel patterns. We need to run a responsible and value-for-money railway. The taxpayer is subsidising the railway at the moment. We do not want to be running empty trains, shuttling around.

Q101 **Chris Loder:** The train services on the west coast are pretty much always packed. They are so packed that you refuse to sell tickets on some of those trains. Are you telling us that the DfT is paying Avanti money to operate those services now?

Richard Scott: The contract is in place. Those services are packed, but that is nothing to do with pre-covid levels. Those services have been packed because of the issues I have talked about—that with the lack of rest-day working we have not been able to run the full timetable.

Q102 **Chris Loder:** In terms of the cost of your business, are you receiving a subsidy from the Department today to operate?

Richard Scott: I believe I am right in saying that we are not quite back into premium paying for the Department yet, but that is absolutely the plan. We have always been a premium-paying franchise—a net contributor to the taxpayer—and that is where we want to get back to.

Q103 **Chris Loder:** Do you have any idea when that will be? What is your forecast?

Richard Scott: I want to say certainly next year, but I will confer with my finance colleagues. I believe we were intending for it to be this year, but of course we have had the timetable problems that you know about.

Q104 **Chris Loder:** The evidence that we heard earlier suggested that in your area passenger journeys have returned, sometimes by up to 140%. Is that reflective of passenger journeys in your business?

Richard Scott: It is a mixed picture across the week. Weekends are above—if you want to use this benchmark—pre-covid levels, but during the week we are not. Of course, business traffic is significantly down, and corporate traffic is significantly down. It is leisure travel at the weekend that has bounced back most strongly—beyond pre-covid levels, as I say.

Q105 **Chris Loder:** Does ASLEF the trade union approve your company's manpower plan for drivers?

Richard Scott: We have consulted with it over the new rosters and the diagrams.

Q106 **Chris Loder:** That wasn't the question. It wasn't about rosters; it was about the manpower plan. Does ASLEF the trade union approve your manpower plan for drivers?

Richard Scott: In what way? What do you mean?

Q107 **Chris Loder:** Do they approve it? You will have put forward a plan; I am



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assuming that you have a manpower plan for the coming years. The question is whether ASLEF the trade union approves that planned recruitment.

Richard Scott: I do not believe that we do that. We work with ASLEF, of course, and we have dialogue with it, but I do not think that we ask it for approval of our manpower plan.

Q108 **Chris Loder:** Would you be so kind as to go back and ask the operations director to write to us about that?

Richard Scott: I will check that specific point.

Q109 **Chris Loder:** Thank you. Nick, it is your turn. Very briefly, can you tell us about driver numbers—how many fully productive you have, the vacancy gap, and your rest-day reliance, please?

Nick Donovan: Mr Loder, I will do my best. If I need to come back with anything in writing—

Chris Loder: If you do not have the details, you can share them with us later.

Nick Donovan: Headcount is 1,972. That is up from 1,665 in 2019. The total productive is 1,737, and the required establishment—the productive establishment—for the December 2022 timetable is 1,594. We have 167 in training, in the academy pipeline and so on, and 154 planned recruits over the next 12 months to feed that pipeline.

Q110 **Chris Loder:** Impressive numbers. What is your rest-day reliance on an average day, percentage-wise?

Nick Donovan: We have no rest-day working agreement at the moment. We had a rest-day working agreement. It was a 12-month agreement that ended in March of this year. ASLEF chose to terminate that in January, so since January we have been running without any driver rest-day working.

Q111 **Chris Loder:** Does ASLEF approve your manpower plan?

Nick Donovan: I will have to check the precise arrangements on that. There is a considerable amount of discussion around the resource plan and engagement with the representatives. I will have to check and come back to you on whether that is a consultative or negotiable matter.

Q112 **Chris Loder:** Thank you. Matthew, very briefly, the same questions, if you are able to answer them. If not, please feel free to write to us.

Matthew Golton: We have 576 drivers: 14 qualified drivers in training, 55 new to driving—either from within the business or outside—and 507 competent drivers, albeit not all of whom have the requisite route and tracks knowledge that I referred to earlier. There is a strong pipeline of future training, with new-to-driving courses in January, March and May at many of our depots.

Q113 **Chris Loder:** And the vacancy gap?



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Matthew Golton: When we look at the actual levels of sickness and restricted, which is an important practical consideration, we have gaps at the moment in terms of our ability to deliver, principally at Manchester and York, but sadly at Cleethorpes as well. There are some challenges there.

Q114 **Chris Loder:** In terms of rest-day reliance—

Matthew Golton: We have not had rest-day working since December last year.

Q115 **Chris Loder:** Okay. I want to talk about the DFT and its involvement with you on some of the issues. Richard, I will come back to you next. How long does your contract with the DFT run for?

Richard Scott: It is currently in place until the end of March.

Q116 **Chris Loder:** Are you expecting that contract to roll over or be extended?

Richard Scott: That is a decision for the Department.

Q117 **Chris Loder:** But as it stands at the moment, your business is not preparing to hand over to someone else.

Richard Scott: Not at this time, no. The way that these contracts work is that, as you get closer to the end of the contract, there will be a negotiation with the Department over whether a new contract is appropriate, but in parallel the Department will get the operator of last resort—OLR—asking questions and getting themselves up and ready to step in if a new contract cannot be agreed.

Q118 **Chris Loder:** Do you mean to tell us that, as it stands today, Avanti has had no discussions whatsoever with the DFT about extending the contract?

Richard Scott: No, that is not what I am saying at all.

Q119 **Chris Loder:** You are expecting to extend it, then, if you are having discussions to extend it.

Richard Scott: That doesn't follow.

Chris Loder: It is not a difficult question, Richard.

Richard Scott: We are having a conversation with them about the contract. We want to extend it. Of course we do. We believe that we have delivered on the timetable that we said we were going to do. We have got through the very difficult period that we have had over the last few months. A new contract was due on 16 October. The Government understandably decided that they did not want to bring in a new long-term contract on 16 October; instead, they brought in a six-month extension until the end of March. We are in that extension now. There will be discussions with the Government over the coming weeks.

Q120 **Chris Loder:** Okay. Have you delivered against all the requirements in your current contract with the Department?

Richard Scott: Well, there are a lot of requirements in the contract, and the independent evaluators that the DFT employs will decide whether we have—

Chris Loder: Sorry, but I am asking you, as Avanti West Coast: have you delivered against the commitments that you signed up to in your contract?

Richard Scott: I think we will have delivered a lot of them. There are some that will be subjective, because they will be based on someone's judgment, and the evaluators—

Q121 **Chris Loder:** Have you delivered the timetable that was committed to in the contract—at the beginning?

Richard Scott: The timetable changed in August, so we have been delivering a different timetable since August, which was agreed with the Department.

Q122 **Chris Loder:** So you haven't quite delivered the timetable that was committed to in the original contract.

Richard Scott: Because that was changed—agreed with the Department.

Q123 **Chris Loder:** Forget the change—I understand it has changed, but that is not the question. The question is whether you have delivered the timetable that was committed to in the original contract, and the answer is no.

Richard Scott: The original timetable, no, because the timetable changed.

Q124 **Chris Loder:** But not under contract.

Richard Scott: We agree any of these changes with the Department.

Q125 **Chris Loder:** I see. So what you mean to say is that the Department for Transport has allowed you to change your commitments throughout this process.

Richard Scott: We have daily dialogue with the Department on a whole variety of things, but yes, the Department approved the change in the timetable that happened in August.

Q126 **Chris Loder:** Did the Department also exempt you from any penalties that you would otherwise have had for not delivering the timetable that you originally committed to?

Richard Scott: No, is the short answer. The contract will still hold us to account for delivering the timetable that is in place.

Q127 **Chris Loder:** What penalty regime have you been subject to for not delivering against that original contract?

Richard Scott: The way that the contract works is that there are six-month blocks that we are assessed on—broadly, April to October and then October through to April. At the end of those six-month blocks, we submit



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evidence to the Department where we believe we have fulfilled the contract. The Department gives that evidence to the evaluators, who are independent of the Department. They assess what their view is, and then they give us a score.

Q128 **Chris Loder:** The original question was, have you been penalised at all for not delivering against the timetable that you originally committed to? I think you are telling me that the answer is no, you have not been penalised.

Richard Scott: We have not had the scores for the April '22 to August '22 period. We will not get those until January, I believe.

Q129 **Chris Loder:** When did your contract start?

Richard Scott: The new contract would start—

Chris Loder: The last one.

Richard Scott: Well, it was extended for 16 October.

Q130 **Chris Loder:** When did it start?

Richard Scott: Which contract do you mean?

Chris Loder: The previous contract. You said you have a period of August '22—

Richard Scott: That is the timetable.

Q131 **Chris Loder:** When does the contract start? What is the start date of that contract that is currently being evaluated? You said that there is an evaluation with the independent examiners and the DFT—from August to October '22, I think you said.

Richard Scott: Yes, that is the evaluation period.

Q132 **Chris Loder:** That is three months. Clearly, you have a contract for longer than three months. When did the contract start?

Richard Scott: The emergency recovery measures agreement began, I believe, in October '20. It was extended by six months, if memory serves, and then it was due to end on 16 October 2022, but it has been extended for a further six months. We are still on the same fundamental contract—the ERMA—that we have been on for a while.

Q133 **Chris Loder:** So pre August '22—this contract has been running for a good few years—

Richard Scott: It was running pre then, yes.

Q134 **Chris Loder:** You have said that you have an August '22 to October '22 period that is being reviewed by independent people to say whether or not you have a penalty to pay. I am interested in pre August '22. The contract has been running for a little while. My question is not just about the three-month period that you choose to answer about, but about the



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entirety of your contract.

Richard Scott: Okay, so have we received a penalty for previous sessions—is that what you are asking me?

Chris Loder: Correct.

Richard Scott: The last session that we would have had the scores for would have been October '21 to April '22. For that period, we received the scores in August. That was not related to this period of disruption. That is the last period that we have had the evaluator scores for.

Q135 **Chris Loder:** Were you penalised in any way for it?

Richard Scott: No, because we had no issues.

Q136 **Chris Loder:** Okay. That's fine; it is good to be clear on these things, Richard. Thank you. In terms of going forward, then, we have talked a lot about the DFT. The relationship you have with Transport for the North, do you have one—

Richard Scott: Do we have a relationship with Transport for the North?

Chris Loder: Do you have a relationship with Transport for the North?

Richard Scott: Yes. They are a key stakeholder, as are many others, of course.

Q137 **Chris Loder:** Do you see any remedial actions or any commitments that you have to give any stakeholder—DFT or Transport for the North—in terms of recovering the situation you have today?

Richard Scott: We do not have a contractual relationship with them, but we of course want to deliver. We know we have not been delivering for recent months. I have spoken to Lord McLoughlin, from the previous session, for example, and we have apologised to Transport for the North for not delivering and kept them informed as to our progress to start the new timetable and get delivering again.

Q138 **Chris Loder:** If you haven't been penalised, do you therefore expect to meet the performance bonuses in your contract with the DFT?

Richard Scott: The evaluators will make a decision based on what we have delivered. I think we have been dealing with a very difficult, unprecedented and, dare I say, unique situation, and we have had to put in place new systems to try to deal with that. Have we tried to—

Q139 **Chris Loder:** Thank you for all the waffle. I am asking you a straightforward question. Do you expect to meet the performance bonus in your contract? It is a yes or no. Do you expect to meet it as it stands today?

Richard Scott: I think we have done our best to deliver what we were contracted to deliver, but it is for the evaluators to decide.

Q140 **Chris Loder:** So as it stands today, you do not expect to receive any



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performance bonus.

Richard Scott: I think we have done the best we can to deliver what we were contracted to do, and the evaluators will make a decision.

Q141 **Chris Loder:** Is Avanti West Coast willing to give that performance bonus back if you get it?

Richard Scott: We are getting deep into the realm of hypotheticals now, but—

Chris Loder: We are, because I do not think anyone sitting around this table thinks that you should have a performance bonus.

Richard Scott: And the evaluators will make their judgment known in the new year.

Q142 **Chris Loder:** So as it stands today, you do not expect to receive any bonus at all from the DFT.

Richard Scott: We have submitted our evidence and we will wait for the evaluators' judgment.

Q143 **Mr Bradshaw:** Mr Scott, you are partly Italian owned. Have your trains in Italy, and trains generally, been having all these problems with performance and industrial action?

Richard Scott: Not as far as I am aware.

Q144 **Mr Bradshaw:** So this is a uniquely British problem.

Richard Scott: As far as I am aware.

Q145 **Gavin Newlands:** I will give Mr Scott and Mr Golton a very brief bit of respite. Mr Donovan, Northern is run by the operator of last resort. How does that change your relationship with Government?

Nick Donovan: The most fundamental point is in terms of the ethos within the business. It is very clearly set around the fact that every pound is a taxpayer pound. It is fair to say that sets a mindset in the business. In terms of the governance structures, they look very similar to how they would in a private sector operator. A member of the DOHL board chairs our board in the same way as that would occur in a private sector relationship. Alongside that, we have a service agreement with Rail North Partnership, in our case, because it is a Transport for the North/Department for Transport joint arrangement that holds us to account for the delivery of the service agreement obligations. But I think the core point is that financial point that I made.

Q146 **Gavin Newlands:** If services continue to decline, what steps can the Government take to change those services? Can they make changes more quickly because it is the operator of last resort rather than the previous relationship?

Nick Donovan: It is difficult for me to say, because I am not familiar with the detail of the arrangements in the other operators. What I can say is



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that, in terms of our relationship with Rail North Partnership, Transport for the North and the Department for Transport, I think it is fair to say there has been a level of agility in terms of some of the timetable changes that we have been able to put in place.

By way of example, when our rest-day-working agreement with ASLEF ended in January—or was terminated in January by ASLEF, as I mentioned earlier—we were able to assess the likely impact of that on the service and also look forward to what we would need to do, in terms of scaling back delivery slightly, to create the capacity to carry on delivering driver training. You can see that gap in the latest ORR quarterly performance report. I am talking about the shift in the number of schedules planned to be run. That change in schedules to be run was agreed with Rail North Partnership at the time, to enable us to get on with the training that I referred to earlier.

Q147 Gavin Newlands: Thank you. I am going to take advantage of the fact that we have Northern here, because I have not been able to get a definitive answer to this particular question from the Minister. Northern and ScotRail offer broadly similar services in terms of distance travelled, but Northern pays track access charges of around £85 million and ScotRail pays £287 million—more than double any other operator. Do you know why? I can't get an answer from the Government.

Nick Donovan: I don't. I will take those figures at face value—I have not seen them before—but no, I don't.

Q148 Gavin Newlands: It remains a mystery, but I shall move on. Thanks very much.

Mr Scott, I have booked my first journey home on the west coast main line tomorrow—straight after the west coast main line debate, as it happens. I am hopeful rather than expectant, probably. Given the poor service—I suppose this is really a question from the travelling public watching this session, because you have answered some similar questions from the Committee—why should you be allowed to continue running services? What is your proposition to the travelling public, rather than to the Government?

Richard Scott: Our proposition is that we have been working extremely hard over the last few months on getting the new timetable in place, based on new rosters and new diagrams, and not reliant on rest-day working. It will be reliable, sustainable, robust and resilient, and it will allow us to rebuild trust. I accept fully that we have damaged trust in the travelling public over coming months and it will take time to get it back, but the timetable and the new rosters and diagrams that are in place will, I believe, allow us to do that.

Q149 Gavin Newlands: Regarding TransPennine, in the week before last we had an urgent question on these issues. When questioning the Minister at that point, I said that in the previous two days, TransPennine had operated only 42% of the cross-border services that leave from Glasgow Central. Looking at recent non-strike-impacted days—Thursday and



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Friday of last week, and Monday of this—there should have been 12 timetabled services from Glasgow to Manchester Airport. Only one of those services got to Manchester Airport. That's not very good, is it?

Matthew Golton: No, it's not. It is not good enough when that happens. As you know, we reset the timetable in September of this year. We did that because we needed to give people greater certainty, but, critically, we needed to make progress with the training. We have made progress with the training, which we said we would do, and there was a very sharp reduction during the autumn in the number of TPE-related impacts on that service. We said that we would put services back from this week, which we have done. Once the Carstairs enhancement work is largely out of the way—it starts in early March—we will go back to the level of services on the west coast that we said we would from May. That is our intention.

But I completely accept—whether it is infrastructure-related, fleet-related or weather-related, we don't like letting people down, and that is not the place where we need to be. The cross-border services are very important to us. We have two cross-border services groups: we obviously have the services on the west coast, and we have the services on the Newcastle-Edinburgh side that we put in place last year, which we know are providing a great deal of benefit to the community. They are very important to us, and we talk to Transport Scotland very regularly about them.

Q150 **Gavin Newlands:** Do you think the travelling public watching this want you to get the contract? You obviously have a different contractual relationship with the Department—it is coming up next year, I think—but do you think the public want us to continue with TPE?

Matthew Golton: The clear message to us is, "Give us the services that we want." I will be completely honest: I think the challenges that we have faced would have been the same challenges, with the same solutions, whatever the name on the side of the train. We are completely focused on getting where we need to get to.

Q151 **Gavin Newlands:** As a follow-up to that, what advantages do you offer over the operator of last resort?

Matthew Golton: One of the very significant things for TransPennine is the trans-Pennine route upgrade. It is a very, very big piece of work, and it is occupying a lot of attention from our team. I went through the whole of the Great Western route upgrade myself, and FirstGroup has been involved in an awful lot of enhancement works. One of the challenges that we have to balance is managing today but getting ready for tomorrow. For example, one of the things that we have done recently is get the next stage of the procurement activity for the new trains for the trans-Pennine route upgrade moved forward. That is something that we have a great deal of experience in, and that is what we are entrusted with doing. We are a formal delivery partner to that upgrade.

Q152 **Gavin Newlands:** To be clear, is the OLR unable to do those things?

Matthew Golton: Clearly, one of the benefits is where you can bring collective experience. There are some fine people in OLR, but I know that,



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in my own group, we have a great deal of experience in the area of enhancements and upgrades, and in successfully prosecuting what we need to do as part of that. That is a very important part of our contract and, hopefully, the next contract, and that is what we intend to deliver on.

Q153 Gavin Newlands: Thanks. Mr Scott, we have seen the success of OLR on the east coast main line. Why shouldn't we have it on the west coast main line?

Richard Scott: Similar to what Matthew was saying, we have a lot of experience that we can draw on from our parent companies. There has been experience brought in over the last few months from our parent companies that we would not have had access to if we had been part of OLR. We are part of a wider family, which gives us a greater ability to draw on that experience and expertise.

Q154 Gavin Newlands: Ongoing performance issues can constitute a default on your contract. Do you think that Avanti and TPE have defaulted on their contracts? If not, how close do you think you have got to defaulting on your contract through poor operation? I will start with you, Mr Scott.

Richard Scott: No, we have not defaulted on the contract. As you would imagine, we have been keeping the Department informed on a daily basis about where we are, what our plans are, and what we are doing about it. They are holding us to account—you have heard Ministers speak in the House on this—and that is quite right. We are under huge amounts of scrutiny and we need to get it right. But I believe that we have taken the steps over recent months to do that, and to get ourselves on to a stable footing and build for the future. This is the way forward now.

Q155 Gavin Newlands: The same question to you, Mr Golton: do you think you have got close to defaulting? Obviously, I said one out of 12 services—

Matthew Golton: A similar answer to Mr Scott's: under this form of contract, we are under more scrutiny than we have ever been before. That is the nature of these new rail contracts. Avanti are in a different position, contractually, to us. The officials we deal with ask us every day to justify why we are doing what we are doing. Is it in the interests of the customers? Is it in the interests of the taxpayers? On every action that we take, or every issue that we have, we are answerable to them. As Richard referred to, ultimately, there is a system of independent invigilation, as well as a Department view, as to how we are doing.

Gavin Newlands: That would be two noes, then.

Q156 Jack Brereton: ORR figures show that Avanti has been consistently at the bottom of the league table over the last year, whether on cancellations or delays. Specially on delays, what do you attribute those delays to, meaning that you are so much worse than every other operator?

Richard Scott: Our performance has not been good enough. A lot of it is rolled up in the difficulties that we have had with the timetable over recent months and being able to get services running on time. It is all rolled up



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together, I am afraid. But the key, as I say, is the robust, sustainable, long-term timetable that we have put in place from Sunday. That allows us to plan, it allows us to make changes at short notice much more easily, and that all has a knock-on effect to deliver a better service for passengers.

Chair: Thank you very much. You have given a lot of your time and answered our questions, for which we are grateful. As a regular user of the west coast main line, I very much hope that services will improve and that the new timetables prove robust. No doubt we will be revisiting this in the new year, but, for today, thank you again for your time and your answers.