

Transport Committee

Oral evidence: [Minimum service levels for rail](#), HC 1153

Wednesday 22 March 2023

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[Watch the meeting](#)

Members present: Iain Stewart (Chair); Mike Amesbury; Mr Ben Bradshaw; Jack Brereton; Grahame Morris; Gavin Newlands.

Questions 30–68

Witnesses

[II](#): Kate Nicholls OBE, Chief Executive Officer, UKHospitality; and Anthony Smith, Chief Executive, Transport Focus.

Written evidence from witnesses:

– [Transport Focus](#)

Examination of witnesses

Witnesses: Kate Nicholls OBE and Anthony Smith.

Q30 **Chair:** Would you introduce yourselves and your organisations, please, for the purpose of our records?

Anthony Smith: I am Anthony Smith, chief executive of Transport Focus.

Kate Nicholls: I am Kate Nicholls, chief executive of UKHospitality.

Q31 **Chair:** Thank you very much for your time and for coming in front of us today. Anthony, obviously, all rail passengers are affected when there is industrial action. From your perspective, are there particular types of passengers—perhaps commuters or leisure travellers—who have been disproportionately affected? What is your assessment of the impact?

Anthony Smith: As you would expect from us, Chair, we have done some research in this area, asking passengers and those who would have liked to use the railway in this period what the impact has been. There are two very distinct areas worth examination. One is the short-term impact and the other is the longer-term impact. I will cover both.

Back in January we spoke to 2,000 passengers, or would-be passengers, about the effect of strikes on them so far. About two thirds of those we asked, who would have used trains in the last six months, said that there had been an effect on them because of the strikes. Of those, about 43% said that their social and personal life had been impacted and 23% said there had been a negative impact on their personal finance—their cash. For 21%, there had been an impact on their health and wellbeing, and for 14%, a negative effect on their ability to work or earn a living.

Behind those statistics is a huge number of stories, with people saying, “I haven’t been able to earn overtime because I have to leave early because of the transport issues to get home early in the evening.” On health, “I had to miss a hospital appointment of a 60-mile round trip and am now waiting for another appointment.” “I lost all my money cancelling a train, as I couldn’t get money back on tickets for a show.” There were extra taxis and extra flights booked. There are an awful lot of human stories underneath the statistics.

What is quite clear from the research is that by far the biggest impact has been on social and leisure trips. The ability of some people—I stress some—to work from home, which we saw during the pandemic and beyond, has meant that they had an alternative. However, there is a large group of people who have to get to work in supermarkets, factories, offices or whatever. It is not to negate that impact, but clearly what we have seen is that the biggest impact has been on social and leisure trips. That impact has had two effects, one of which is cancelling or rearranging plans, taking other modes of transport or taking more time travelling



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and, as I said, it has had some financial impact. There is a very strong short-term impact.

The longer-term impact is harder to pull together. What is quite clear is that almost a third of the people we spoke to said that even when things were back to normal they would be much more reluctant to use trains. Of course, they say that at the time. When it comes to it, they may behave slightly differently, but clearly there has been quite a significant loss of confidence in the ability of the railway to carry people, and the ability of people to plan, buy advance purchase tickets and things like that, and have certainty.

All of our research, as we have said to your Committee many times, Chair, shows that the key passenger requirement from the railways is reliability. People want to be able to rely on the trains. These strikes and the associated industrial action around them have had a very corrosive effect, not to mention of course the loss of income to the industry, which, in the long term, will affect investment. We have seen figures quoted of £25 million a day being lost through strike action during the week and £15 million at weekends.

Much harder to quantify is the effect on the industry itself. Running services on strike days puts a much higher onus on managers and managerial staff to step in, step up and run services, perform signalling duties, and so on. It can be done on a one-off basis, but I think the amount of strike action we have seen must have had a very undermining effect on the ability of the industry to concentrate on the day to day, outside the strike days. People were just tired, and it is stressful. While the industry, I think, has slightly surprised itself by how much it has been able to run on strike days, it is not something that you can do on a very long-term basis. To answer your question quickly, Chair, the biggest impact has been on social and leisure trips.

Q32 Chair: Thank you. Did your research identify whether people were able to make the journeys by alternative means, such as driving, bus or other forms, or by and large did they not travel at all?

Anthony Smith: Quite a large number of people were able to get there by other means, whether that was taking taxis or flights or actually using some of the rail services that were running on those days. We haven't been able to put a figure on that, unfortunately, but clearly quite a number of people managed to rearrange, especially for some social and leisure stuff. I cannot put a figure on it, unfortunately.

Q33 Chair: Kate, what has been the economic impact on your sector as a result of this disruption?

Kate Nicholls: The impact on our sector is threefold. You have the impact on our workers, who were unable to get to work. Many of them rely on rail or public transport services to get into work, particularly in city centres, so we have staffing issues that are exacerbating the vacancy



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rates that we already have. Commuters and visitors coming in on standard trips to city centres and town centres are our everyday customers. You have the impact on visitors, and the social and leisure spend for people who are coming in for major sporting events, theatres, and so on. They have all been impacted.

Over and above that, the longer-term effect is on confidence to book, and people's willingness to book events, activities or short breaks in advance, and come into town and city centres, because of the disruption that is being felt, particularly at weekends. As we have seen, strike action moved towards more of the leisure and weekend usage.

Since the strikes have been in place, we estimate that the loss of income to the sector as a whole—how it is felt varies across the country—has been £3 billion of revenue that we would otherwise have earned as a sector since the strikes first began just under a year ago. The biggest impact was felt just before Christmas, when the most profitable week's trading of the year was effectively taken out by strike action. We saw cancellations as high as 60% in our town and city centres.

Q34 Chair: To what extent is that loss deferred? Will people have a certain portion of their income set aside for leisure, to go to the theatre, a restaurant or whatever it is? Will they still do it, but later on?

Kate Nicholls: We have tried to factor that into our calculations by looking at events and activities that are actually cancelled versus postponed. Customers got very used to postponing a trip or a weekend activity during the pandemic rather than cancelling it. We are seeing full cancellations coming through now.

There is some displacement of spend. Clearly, if you are not coming into a town or city centre for a work activity during the week, you may well spend in your local neighbourhood and suburban areas. We are seeing some displacement, but in the towns and city centres that is revenue forgone. If you are only based, as a business, in that town or city centre, that is your livelihood under impact. Members in central London particularly, but also central Manchester and Birmingham, that have the type of businesses that are devoted to passenger travel, are seeing an 80% decline in their footfall numbers and revenue on strike days. That is not deferred; it is cancelled.

Take the week before Christmas, for example. Christmas office parties and business events that were happening in the run-up to Christmas, Christmas shopping or Christmas theatre trips with the family, happen at a particular time of year for a particular reason. If you cancel because you cannot get in due to trains, you are not going to spend it again. You may take that trip elsewhere, but we are not seeing deferment and postponement of activity, and it coming through in the same place and at the same time, in the way that we did during covid, for example.

Q35 Chair: As a general principle, do you think that the plan to have



minimum service levels—we will dig down in later questions to the specifics of that—will be helpful legislation?

Kate Nicholls: What businesses, and our businesses in particular, need is certainty and stability. All those groups—the tourists, the visitors and the commuters and workers trying to get in—need to know that they will have a reliable and sustainable public transport network. What we really want is negotiated resolution of industrial disputes before we get into strike action. Then we need the certainty after that to be able to plan our businesses for the levels of service that are going to be provided.

While there has been quite a good level of service during the recent strike action, of 20% to 30%, its unpredictability means that it has a much bigger knock-on effect on consumer confidence to travel, and we see far fewer people travelling than the railways could arguably cope with during strike days. As more people work from home, people just cancel their trips coming in.

We are agnostic on the Bill itself, but what we want to see is early resolution of disputes so that we have confidence and secure supply.

Q36 **Chair:** I have one final question before I turn to my colleagues. To what extent have people said, relating to inbound tourism from overseas, “I’m not going to come to the UK. I’ll go to another country instead,” because they are concerned that they will not be able to travel around?

Kate Nicholls: Inbound travel got back to 70% of pre-covid levels of revenue and footfall last year. There is no doubt that broader travel disruption, both at airports and on the rail, had an impact on confidence to travel and certainty around booking. We hear it from our tour operators based in other countries. When they are looking at group travel coming in, that is a question that comes up about the service level we are able to provide.

We don’t have any figures on the number of tourists caught up in industrial dispute and action, and the impact that has on their plans, but there is no doubt that 70% of inbound tourists come through London. If you cannot get out into the rest of the country, it does not mean that you will not come. It is just that your travel plans are further disrupted. Whereas you might have stayed in London and done a trip to Bath, Manchester or the Lake District if the train service had been running, you are not able to do that on strike days.

Q37 **Gavin Newlands:** The Chair was talking about overseas tourism. From a domestic tourism point of view, I do not know if it will hold any sway over the proposed legislation but, looking at the issues and the proposals, the fact is that ScotRail was not involved in the strikes, but with Network Rail there has been a massive impact. Even though ScotRail staff were not striking, only 19% of ScotRail services ran. In Wales I think the figure was 14%, yet in London and other areas, the figure was over 50%.

If you look at the map of strategically important routes, one third of the



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UK's land mass was completely untouched—the north of Scotland and the central belt. That area of the UK has a lot of tourism. Do you know what impact there may have been on the tourism and hospitality sector in the north of Scotland?

Kate Nicholls: Specifically in the north of Scotland?

Gavin Newlands: Yes.

Kate Nicholls: In a large proportion of the industry, with the strike action and the disruption that was happening in travel, as well as the other challenges that the sector is facing, which are well publicised, you had a large number of closures and significantly higher closures over Christmas. There were temporary closures. They just decided that there wasn't any point in opening the business at all.

In rural Wales and rural Scotland—those remoter areas—we were back up to about 60% of the industry closing temporarily over Christmas because of the challenges that were being faced.

Q38 **Gavin Newlands:** A far higher rate of closures than anywhere else.

Kate Nicholls: Far higher than the rest of the UK, yes.

Q39 **Jack Brereton:** In deciding minimum service levels, what do you think are the main factors that should be included?

Anthony Smith: The Department for Transport, in its consultation which accompanies the other drafts, has set out two potential ways of doing that, one of which is to base it on the existing timetable. You simply take 50%, 25% or 75% of the existing timetable and add a few extra services where you can. You can have different levels on different days, as we currently do with a Saturday service or whatever.

That is probably the simplest way to work it out because the core timetable has already been worked out. Of course, the problem is that it does not necessarily reflect the real, potential demand on the ground. It is running the trains rather than moving the people. It is something where the rail industry often has a slightly strange way of looking at things; it is running the trains as opposed to getting the people moving around. The alternative is to build a brand-new, bespoke timetable for a strike. You would be able to map need much better against the actual services.

Q40 **Jack Brereton:** Would you prefer the latter?

Anthony Smith: I think we would prefer the latter, yes. There is a much greater chance that you would be able to map the actual running of services against the actual need on the particular days in question for people who need to get to work, to healthcare or whatever. You would be able to balance the needs of different passengers slightly better.



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On one level it is very attractive to say, "We will just run the main routes." Fine. That is what has been happening during the recent strikes, relatively successfully, but of course that cuts off a lot of people. For city travel, some people have an alternative. Crossrail is a massively successful piece of railway. One in six of Britain's rail passengers is on Crossrail, on the Elizabeth line, but there are potential alternatives there. Having a bespoke timetable, where people have a chance to input to the construction of the timetable, is likely to have a much greater chance of success.

Q41 Jack Brereton: You referred to certain parts of the country that are being a lot more affected than others. My own area in Stoke-on-Trent has not had any services on strike days. In planning the minimum service level, do you think that more needs to be done to make sure that those areas currently not included on strike days have some sort of service?

Kate Nicholls: It is important that we take a holistic look at this. As Anthony said, you look at need and where the areas of greatest demand are. There is a tendency to focus on five days a week, nine-to-five commuter traffic and people getting into work. What we have seen is that the biggest impact is now increasingly being felt on leisure and weekend travel. There is a danger that, if you just plan based on the number of trains and routes for commuting, you miss large parts of the population who need to have rail travel.

You need to look at where there are limited alternative options for accessibility. You need to look at where the heaviest impact will be on passengers, and where the demand will be on passenger numbers for people using those trains. You also need to look at the broader economic impact of failing to provide minimum services in those areas. Both the unions and Ministers have described my industry as collateral damage. That is a huge amount of collateral damage that the economy can ill afford to lose at the present point in time. We need to factor in more broadly looking at where the biggest pinch-point is and the biggest pain.

The balancing act comes between these: do you try to have a minimum standard everywhere, but it is a very low minimum standard and it means a much longer and protracted period of strike action, or do you prioritise the areas of greatest economic and accessibility need, and hopefully then have short, sharp interventions of strikes? As I say, from our point of view resolution, negotiation and sorting out issues before you get to strikes and need minimum service levels has to be the best way forward.

Q42 Jack Brereton: You represent quite a diverse sector. Is there really a shared view across the sector? You represent members right across the country. Are there differing views of what the minimum service levels should look like in different parts of the country?

Kate Nicholls: This is a different sector from the one we operate in. From our point of view, we would not want to get involved in the



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industrial relations or industrial negotiations of another sector. That has to be resolved by the employers, the employees and the unions in that sector. Our members have not really discussed minimum service levels per se, other than that we need to get a resolution. We need negotiation and resolution before strike action becomes a method of last resort. Minimum service levels should be an intervention of last resort because we should be negotiating.

There is no doubt, however, that with the impact on hospitality sector workers, who are losing money because they cannot get to work and are not earning the most profitable shifts, and on our businesses that are on the margins of viability, the greatest risk is in town and city centre areas. It is late night and restaurants in town and city centres. That is where we have seen the bulk of the closures. They are absolute closures and not just temporary closures of tourism businesses. They are absolute closures of businesses in town and city centres. They are disproportionately hit the hardest by the strike action, as you would expect. You want to prioritise those.

Q43 Jack Brereton: On strike days we have seen services finishing quite early. Late services have just not happened at all in many cases. Is something you would like to see in a minimum service level that we would have more of those later-night services?

Kate Nicholls: That goes back to my point that we need to have a holistic look at where the issues of concern are and where there are no alternative options, and to look at the economy as it is and not as we would like it to be or as something historic.

The tendency is to think about how you get workers into city centres for nine-to-five office jobs. Covid means that most of those people are already working from home for large parts of the week in any case. You can look at the transport and tourism levels. You can see that footfall is down on public transport rail and Transport for London. We need to look at the areas of the economy that are being significantly impacted by strike action and where there are a large number of people working and socialising. As Anthony said, that is where people are feeling the hit at the moment.

When it comes to late nights and the town centres, a third of a town centre's revenue is earned after 6 o'clock. Most train services recently have stopped before 5 o'clock, so you are cutting off a large proportion of your night-time economy that is important. There is a safety issue about getting people home safely, particularly women and vulnerable people.

Q44 Jack Brereton: Anthony, what do you think passengers' expectations are of a minimum service level?

Anthony Smith: It absolutely depends on who you are and where you are. Most travel remains a very local experience for most people. We talk in national aggregates, but it is a very local experience. People want



trains. They want to be able to rely on those trains. They want clear messages around that. It absolutely depends on who you are and where you are. It is very difficult to aggregate. You could take the greatest good and the greatest number approach, which is crude, and you just try to keep carrying as many people as possible, but I think you lose some of the local nuance of travel patterns, which is very important.

You have to try to develop a minimum service level that balances those things. You should have a consultation on it, so that people have an opportunity to have their say about whether they can get to school or hospital, are a key worker or whatever. There is not much short of that. It is a series of really messy compromises. Hopefully, we will end up with something reliable at the end.

That is a core thing to stress. At the end of all this, whatever is put in place has to be reliable. We have been saying to the Government and to the industry, "Don't put in place something that is a bit heroic. Put in place something that you can deliver day in, day out and that people can rely on."

Q45 Jack Brereton: What do you think that means for compensation for passengers?

Anthony Smith: As normal, people will be compensated against the timetable as published on the day. Trying to sort out the messaging around that is also very important. "Do not travel." "There will only be limited travel." "Essential travel only." These are quite different messages that people hear. Through the extreme weather we had last year and through the strikes, we have seen a whole series of messages. It is quite difficult to get it right because you are trying to think of a simple message that applies to everyone. We have had passengers who have been very confused when the rail industry said, "Do not travel," but there were trains running. "Why are you running trains if you're telling me not to travel?" We have done a bit of research on that, which we will publish soon, and which, hopefully, will help the industry get those messages a bit more nuanced. On a minimum service level timetable, it should be, "That's running."

Q46 Chair: To pick up the point about looking at it holistically, do you have confidence that the Department for Transport is looking at the transport network as a whole, rather than specifically rail, in trying to set these minimum service levels?

To give an example, if you want to travel from Oxford to London there are two principal rail routes you can take—one on Chiltern and one on Great Western—but there is also a very good bus service. Do you think they are looking at that in a holistic way and saying, "Well, actually, we might not need as high a level on those two particular lines in themselves," because when you look at all possible options for passengers going between those two cities, there will be plenty of availability?



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Anthony Smith: I very much hope so. In reality, of course, the only people who can set those timetables are the train companies and Network Rail because they are the only people who have the skills and the knowledge to do it. The Department will be very much relying on the skills of the industry in respect of putting forward a particular timetable.

You are quite right, Chair. It must be specific because different routes have very different requirements, very different needs and very different choices. The coach industry has been doing very well recently. National Express shares are up.

Q47 **Chair:** Kate, do you have any observations on that?

Kate Nicholls: I echo what Anthony said. I hope they are doing that. I have not been involved in any of the discussions to know that that is happening more widely. Our discussions on rail issues have been just with the Rail Ministers and the team there. I have no evidence to suggest one way or the other.

Q48 **Chair:** Picking up your point on looking at different parts of the economy, how do we quantify those values and how they will then influence what service patterns there are? For example, if the night-time economy is worth X billion over Y billion for another sector, and that would lead to making a decision that, instead of running trains between 8 and 6, you run them from 2 in the afternoon to late at night, how and who would make those calls?

Kate Nicholls: I think that has to be done by negotiation. I go back to my earlier point: what we want is a good basis of negotiation to make sure that, hopefully, strikes do not happen, and then a negotiation so that minimum service levels are not needed. You need to make sure that you have the ability to capture all of the evidence before making that decision. It is not as simple as train operating companies and the unions deciding on particular patterns, but that they are required to take account of the impact of their actions on other parts of the economy and other areas that are running. Then at a localised level it will be how you make sure that that minimum service guarantee, whatever it is, is translated into something practical and realistic that consumers, workers and passengers can rely on.

Q49 **Chair:** Who would you like to see as the consultees in making those decisions? Is it local government, trade bodies, or the surveys that Anthony's organisation will do? How do we capture all this?

Anthony Smith: It has to be as broad as possible because the macro planning of it produces one answer, but the effects of that are in local service patterns, local travel patterns and the fact that those travel patterns change in terms of work, work sites, work habits or whatever. You simply have to consult as widely as possible and encourage the train companies to display that they have understood what the patterns of travel are in their area, and understand why their passengers are travelling. Traditionally, that has always been quite a difficult issue for



the railways because, to a degree, they do not know who is travelling on their network or when they are travelling. I think you have to consult as widely as possible to try to get this as right as possible.

Kate Nicholls: I agree. You need wide consultation at the top of the funnel. If this legislation is taken forward and implemented, you should start to consult in the widest possible scope to make sure that all the factors that need to be taken into account can be taken into account when the power needs to be used. As it goes further down and it is implemented as a power, it needs to take local considerations into account. It will vary, according to the day when the strike is chosen or the period of time when the strike is chosen, as to what will be impacted. Recent strike actions coincided with major sporting events and major concerts at the O2. There were deliberate choices for tube strikes. You have the Six Nations and Glastonbury. All these events are variable. You cannot factor them in at a macro level in advance. You have to look at it in the detail, otherwise you just get displacement of strike activities that would hit a different sector.

As long as you have broad consultation at the top, you can look at the potential impact for all of these sectors, and quantify some of the issues that you are talking about, Chair. Some of the SIC codes that the ONS uses do not capture the granularity of the businesses that are impacted by train strikes. You need to look at a more granular level than just the basic accommodation and food service in my sector, for example, to be able to pick up who will be affected and how. Then you need to overlay that with passengers and the way they are using trains.

Q50 **Grahame Morris:** Mr Smith, are you familiar with the Government's impact assessment? I know it was not the current Transport Secretary, but the previous one, who commissioned it. Are you familiar with the conclusions of that?

Anthony Smith: I am not; I am sorry.

Q51 **Grahame Morris:** Basically, it was intended specifically for transport, while the current Bill is more wide-ranging. It says that there may be even more strikes as unions see that their strikes are less effective because of the compulsory minimum standards. In response, the Government said that "an increased frequency of strikes following a Minimum Service Level being agreed...would reduce the overall impact and effectiveness of the policy as although service levels would be higher than the baseline"—on a strike day—"it could mean that an increased number of strikes could ultimately result in more adverse impacts in the long term," particularly in the hospitality sector. Are you pointing out to Ministers that there may be an unintended consequence of this minimum service levels Bill?

Anthony Smith: We are clearly going into quite unknown territory, the long-term consequences of which we will only know if and when the minimum service levels are ever implemented. Echoing what Ms Nicholls



said, the desire must be to have negotiated settlements, where people are happy to come to work, they want to come to work and they want to give their best, as virtually everybody in the rail industry wants to do. A volunteer is worth 10 pressed men, as is often said, and I think it is true. We would only see the consequences if this type of minimum service level was actually put into place. It seems like quite unknown territory.

Q52 Grahame Morris: Mr Smith, is your role with Transport Focus basically to relay the results of consultations and responses from the public to Ministers, or is it to advocate Government policy?

Anthony Smith: Primarily, our job is to make sure that the views of passengers are known by the decision makers, both their short-term views on their experience today and their longer-term views on investment priorities for the future, which helps Government and others make better investment decisions.

On areas around policy directly relating to passengers, such as compensation or whatever, we put forward suggestions. In an area like this, which I think is much more political and much more contested, passengers want to see trains. How they are provided they are much less concerned about. On some routes we have seen relatively high levels of service provision. That has been good. Passengers want to see trains. They are less concerned about how they are actually provided and under what terms and conditions, as long as they are provided safely. That has to be the initial step. It goes beyond simply the train and track; it has to be the station staff as well. The scope of these sorts of requirements would have to be broader than simply the operation of the train and track. It has to be what happens at the station as well—things like Passenger Assist for disabled passengers.

Q53 Grahame Morris: I want to ask about disabled passengers. It is an issue that the Committee has taken a particular interest in. In fact, we have had some written representations to the Committee this week from some of the train operators suggesting that they are outperforming their targets, although that is not the practical experience of people using the service. I just hope that information is being fed through to Ministers.

I am not being cynical, but who appoints the chairman and the board members of Transport Focus?

Anthony Smith: The majority of the board members and the chair are appointed by the Secretary of State. In Wales, Scotland and London there are slightly different arrangements; they appoint their own members.

Q54 Grahame Morris: So a politician appoints the board members and the chair.

Anthony Smith: They do.

Q55 Grahame Morris: Are you reticent about criticising policy that a politician brings forward?



Anthony Smith: Through 24 years of work in this area, and for this organisation, we have remained an arm's length organisation that has been able to say what it needs to say to Government, because otherwise we are of no use. We will continue to do that. The fact that somebody has to appoint the chair and members has not affected what we say on behalf of passengers. We absolutely firmly base what we say on insight and evidence—always.

Grahame Morris: I am sure, Chair, that there are alternative methods rather than direct appointment if we want to be diverse and inclusive, but maybe that is a separate inquiry. Thank you.

Q56 **Mike Amesbury:** Anthony, and then Kate, curtailing the right to strike is fundamentally what this is about. Could that exacerbate problems? Is it good for industrial relations?

Anthony Smith: As I say, we have never done this before so we are in very unknown territory, the consequences of which you will only find out as and when one of these minimum service level agreements is enforced and put into place. Then we will find out what happens. There is no substitute for good, modern industrial relations in any industry where changes and terms and conditions are negotiated, and agreement is reached. You want to have workers who want to come to work.

Kate Nicholls: As I said, it is not our role as the trade body for hospitality to comment directly on industrial relations in other sectors. I think it is about making sure that we have good industrial relations and that there is a balance between the right to strike and the ability of people to go about their daily business and their daily lives in a way that does not bring the economy to a halt. Whether you are in the rail sector or the hospitality sector, the right to strike is important, but it should be a measure of last resort because you have good industrial relations that mean you do not need it.

I very much hope, going forward, that we can set that pattern of good relations. That is what our businesses, our customers and our workers need. We need good industrial relations so that we can have a reliable and robust public transport network on which we can all rely, where you do not have strikes or disruption but good levels of service, whether there is a strike day or there is not a strike day, and that you never have to use minimum service levels.

Q57 **Mike Amesbury:** That is how you get good levels of service—with good industrial relations. Of course, people withdrawing labour is inconvenient, but that is the actual point; it is a fundamental right to strike. It is the last resort.

Kate Nicholls: That is partly why I am sitting here in front of you. I am here to give evidence, and I give evidence to Ministers about the impact on my sector. As the rail union bosses have said and as Ministers have said, my sector has seen significant collateral damage. It is a sector that



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has been devastated by covid, and now we have lost £3 billion of revenue. There is no doubt that it has contributed to some of the closures we have seen over the past year in town and city centre businesses, which have had a far higher closure rate than other pubs, bars, restaurants and hotels across the country. That needs to be balanced and taken into account, as well as the ability of workers in those sectors to get to work and earn a fair and decent living.

From my perspective, it is about balancing the right to strike with the ability of the economy and public services to function properly. It is about making sure that we have the relations in place so that this is a power that is never needed, because we have good levels of service and good industrial relations which mean that passengers can rely on the railway to get around.

Q58 Mike Amesbury: The Rail Minister, in front of this very Committee, stated that if this could have been settled at a much earlier stage, certainly your good selves and others would not have been collateral damage and it would have been less costly. Do you feel that you are a price worth paying?

Kate Nicholls: No, clearly I don't feel I am a price worth paying. My role, duty and obligation is to my members' businesses and the 3.2 million people who work in hospitality whose jobs depend on being able to get to work and to have customers to serve. That is why, throughout this whole dispute, we have urged all sides—there are three sides and three stakeholders to this dispute—to try to negotiate a settlement so that we do not have the impact on our sector. Over the course of a year of strike action, the impact has been felt more and more on people's leisure and social time, as that is where it is having the biggest impact on passenger numbers, travel and disruption, because more and more people are working from home.

Q59 Mr Bradshaw: I am going to push you a little bit more on this, Kate. You are the sector that has been most badly affected by the strikes. If you thought this legislation was going to help, you would support it, wouldn't you? But you say you are agnostic.

Kate Nicholls: I am agnostic about the legislation, yes. I do not think it is our role as a trade body for the hospitality sector to comment on it when it is about industrial relations in a sector that is aligned to it. If it was a Bill that was imposing minimum service levels on pubs, bars, restaurants and hotels, I might have more expertise and knowledge to be able to bring to the Committee. I do not feel equipped to comment on the details of the legislation.

Q60 Mr Bradshaw: From your earlier remarks, you seem to suggest it is a distraction at best, but could actually make things worse for your industry in terms of worse industrial relations in the transport sector.

Kate Nicholls: I was not intending to imply that; if that is what you are taking from it, that is not correct. What I was saying was that I see this



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as very much a measure of last resort. The success of any legislation will normally be in how it is used and applied. I would see this as being successful if it never had to be used because we had good industrial relations that meant we never had a strike, we had good service levels throughout the industry and people could go about their business.

The key priority is resolving the dispute, which has been going on for too long and has been impacting too many people. We need to draw that to an end, and we need to be able to move on from that and then be able to put in place the measures to have a reliable public transport network.

Going forward, you would very much hope that those negotiations and good industrial relations could prevent strikes in the first place and, if strikes are called, that you would have a negotiated resolution, as you do in other parts of the world where this legislation is in place, to make sure that the minimum service levels are there and are good and appropriate, and that you do not have to use the minimum service levels legislation. That was my point.

Q61 Mr Bradshaw: But, as a matter of principle, your organisation has not called for this legislation, either publicly or in your private representations to Government.

Kate Nicholls: No.

Q62 Mr Bradshaw: Anthony, you have said a number of times that we are in uncharted territory, but the Government claim that there are models of this legislation that work very well in other countries. Has your organisation managed to have a look at any of those and assess their effectiveness?

Anthony Smith: No, I'm afraid we haven't. If you are going to do further inquiries in this area, I stress the importance of understanding both what ought to happen in different countries in terms of legislation or regulation and what actually happens on the ground. Often, it is cited that this occurs in that country, and then you find that in reality nothing like it happens at all.

We have very good contacts with passenger groups around Europe. What we could do, if it would help, is to ask them what actually happens on the ground.

Q63 Mr Bradshaw: I think that would be a great help. We may feel that we need to go and have a look at that ourselves as a Committee. I think that would be a great help, not least as the Government pray in aid the practice in other countries in defence and support of their legislation. Kate, does your organisation have the same sort of contacts with fellow hospitality organisations in other countries?

Kate Nicholls: We do. We are the UK representative on HOTREC, which is the European trade body that brings together national trade bodies. A lot of them are particularly tourism focused and small independent



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businesses; the industry is very different across Europe. We have spoken to them. We can certainly reach out and ask for more information.

Our understanding, as I said earlier on how I would hope to see this legislation used, is that it tends not to be used in reality because the negotiated settlement happens before you get there. You either have collective bargaining to prevent a strike or, if strike action is taken, you have negotiation before you have to use a legal and legislative lever to ensure that there are minimum standards. We spoke to our colleagues in Germany, who said that that was certainly the case in Germany. Where strike action is taken, the two sides come together, negotiate and reach an agreed solution on minimum service so that the legislation does not have to be applied.

Q64 **Mr Bradshaw:** But you haven't received any specific views from your fellow organisations on the continent as to whether this kind of legislation has made a difference or not.

Kate Nicholls: We have had nothing more than anecdote, but I will reach out to them. The general consensus was that it was a helpful backstop, but usually it was resolved before you ever needed to use the backstop. If we think about it in that context, it could be helpful going forward in the UK as well.

Q65 **Chair:** I would like to return to the question of ensuring that people with disabilities or other access needs are covered by the proposed regulations. What steps do you think need to be included in the regulations to ensure that more vulnerable passengers have their rights looked after as well?

Anthony Smith: The key thing, Chair, is that the ambit in setting the minimum service requirement, as I said before, is not simply limited to the operation of the train and the tracks. It is about the travel experience and the experience at stations. If that is done, and it is drawn widely enough, it should give people the confidence that existing services like Passenger Assist will be there if they are booked for people who need them. It all goes back to the point that if we are going down this route, the service that is provided must be reliable for all passengers who seek to use it.

Q66 **Chair:** Are you confident that the Department will be looking at that?

Anthony Smith: They are consulting, which is a good sign. We will be making the point very forcefully, as others will be. For us, it is a very important issue that people who are more vulnerable are still able to use the railway, along with everyone else.

Q67 **Grahame Morris:** It just occurred to me, Chair, that it is ironic that one of the causes of the dispute is the closure of ticket offices and that other staff on trains and in stations are going to be displaced, although no longer compulsorily. If we are to provide a decent Passenger Assist service, that is something that should be pointed out to Government. We



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need to retain personnel who can help people who are vulnerable, particularly those in wheelchairs and elderly people, on and off the trains.

Chair: Do you have any comment on that?

Anthony Smith: Hopefully, that underlines what I have just said. We will be making that point very clearly to Government.

Q68 **Chair:** That has covered the questions we wanted to ask. As with our first witness, is there anything else that you would like to add on the record that we have not already covered?

Anthony Smith: It would be great if these strikes were all settled, not only on trains but on buses as well. In the west midlands at the moment we have National Express buses on strike. It really is corrosive. The sooner it ends and we get back to normal life, the better.

Chair: Thank you very much. We are really grateful for your time and your evidence this morning.