



Transport Committee

Oral evidence: [Work of the Secretary of State for Transport](#), HC 346

Wednesday 13 November 2024

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[Watch the meeting](#)

Members present: Ruth Cadbury (Chair); Dr Scott Arthur; Catherine Atkinson; Olly Glover; Katie Lam; Alex Mayer; Baggy Shanker; Rebecca Smith; Laurence Turner.

Questions 1 - 58

Witnesses

I: Rt Hon Louise Haigh MP, Secretary of State for Transport; Dame Bernadette Kelly KCB, Permanent Secretary, Department for Transport; and Jo Shanmugalingam, Second Permanent Secretary, Department for Transport.

Written evidence from witnesses:

– [Add names of witnesses and hyperlink to submissions]



Examination of witnesses

Witnesses: Louise Haigh, Dame Bernadette Kelly and Jo Shanmugalingam.

Q1 Chair: Welcome to the first public meeting of the Transport Committee in the new 2024 Parliament. I welcome the Secretary of State, Louise Haigh, the permanent secretary, Dame Bernadette Kelly, the second permanent secretary, Jo Shanmugalingam and all those in the Public Gallery and watching online. I thank the Committee team for the work that they have put in to support the Committee—all of whom, bar me, are new to it—in preparing for our roles, and for the briefing for today's meeting.

I will kick straight off with our first question, and I remind the Secretary of State and civil servants to keep answers brief. I expect that the Secretary of State will want to answer most of the questions, but there are some that it will probably be more pertinent for the senior civil servants to answer.

Secretary of State, what are your immediate priorities for the Department? You want to move fast and fix things, so how are you going to achieve that, while also ensuring quality of service?

Louise Haigh: Thank you very much. Congratulations, Chair, on your election, and to all the new members of the Committee. I look forward to working with you and to being held, I have no doubt, robustly to account. You are absolutely right. Our new motto in the Department is to move fast and fix things. I am sure that colleagues are sick to the back teeth of hearing me say that. We have wasted no time in getting to work fixing our broken transport system and getting it working for the public, no matter where they live across the country. We have already laid regulations to make it easier for local authorities to take back control of their bus services after 40 years of deregulation, and we have backed that with £1 billion of investment in local bus services, through the Budget and keeping bus fares capped.

On our railways, we immediately got round the table and brought an end to the longest industrial dispute in the railways' history—a strike that cost the taxpayer £20 million a day in lost revenue alone every day the railways were on strike. We are sorting out a number of long-standing, very localised disputes across the country. That is already starting to bear fruit, particularly on LNER and TransPennine Express, where we have seen improvements in services and a reduction in cancellations. We will start to see improvements on Northern, thanks to the facilitation of a recent rest-day working agreement.

We have also fired the starting gun on reform. The Passenger Railway Services (Public Ownership) Bill is merrily making its way through the House of Lords. We hope to achieve Royal Assent on that soon. Shadow Great British Railways is leading the transformation on reform, delivering integration while we wait for legislation to be achieved.



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Today I am pleased to announce that I have asked the Office of Rail and Road to carry out an independent review of ticket enforcement across the rail network. We have seen some egregious examples of fare prosecutions. While fare evasion is totally unacceptable, and we will continue to pursue it, we need to be clear that, where people have made genuine mistakes, they should not be prosecuted. As passenger-in-chief I have asked the ORR to investigate that on my behalf.

In aviation, we have committed to the sustainable aviation fuel mandate and to legislation on the revenue certainty mechanism. Just last week I established the new aviation accessibility group, chaired by Baroness Tanni Grey-Thompson.

Finally, on our roads, I chair a new ministerial taskforce, jointly with the Treasury, to look at ways we can tackle the increasing costs of car insurance. I was delighted that we smashed our manifesto commitment, with £500 million in extra funding through the Budget, to take aim at potholes across the country. The Budget also committed to taking HS2 to Euston, to the trans-Pennine route upgrade, and to the upgrading of the A47 and A57. I hope you can agree that we have moved pretty fast and are on our way to fixing things.

Q2 Chair: Yes, you certainly have. Keeping to the relatively short term, what are your priorities and expectations for the forthcoming spending review?

Louise Haigh: The second phase of the spending review will be mission-focused. We are clear that transport is an enabling factor and absolutely necessary to achieve all our missions, not least growth. I work very closely with the Deputy Prime Minister and MHCLG colleagues to align our strategies, because our housing targets absolutely cannot be delivered without sufficient transport infrastructure. We need to make sure that those priorities, across Government, are properly aligned.

I am pleased to sit on most of the mission boards and work across Government to make sure that transport is considered fully as enabling. The Chancellor set out a very challenging fiscal envelope at spending review 1, and we have all been tasked with making sure that the money we have available this year and next is spent as wisely as possible. That is why we have already set out plans to get on top of HS2's costs and deliver the infrastructure investment that we have to the best of our ability, in as targeted a way as possible.

Q3 Olly Glover: In the context of the fact that a lot of the decision making on rail, in particular, has been very centralised, how important do you feel the further devolution of bus and rail powers will be, in both specification and operation, to achieving your vision and plans?

Louise Haigh: It is absolutely central to our reform of public transport. On both bus and rail, we are delivering the biggest reform to public transport in more than a generation. Central to our plans for establishing Great British Railways will be a statutory role for mayors and local



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leaders, because we believe those decisions are best made as close to the ground as possible. As we establish Great British Railways, we will be looking to ensure that those leaders are given a proper role and accountability as part of the network, while ensuring that Great British Railways is the directing mind and can plan an efficient timetable with the network available to it.

On buses, it is absolutely about giving control to local authorities and local transport authorities, so that they can efficiently plan and deliver an integrated transport network that suits their communities. For too long, we have, particularly for buses, allowed private operators to pick and choose whatever routes they want, to the disadvantage of their communities, who have no control at all. The whole behest of these reforms is about giving power and control to local areas so they can suit their communities.

Chair: Thank you. We will stick with buses for the next question.

Q4 **Alex Mayer:** Thank you, Secretary of State, for your opening remarks. I was pleased to hear that the first form of transport you mentioned was buses. They are, obviously, the most popular form of transport across the country. With that in mind, as we await the better buses Bill, what are the long-term goals of the reforms in the Bill?

Louise Haigh: Rail obviously dominates a lot of our time, and a lot of the media's attention, but you are absolutely right: the most commonly used form of public transport is buses. For me, they are essential to achieving social justice, because it is the most deprived people who rely on them most. They are a huge lifeline for many people. Not long ago I met a woman who was moving house because her local bus service had been cut. Lots of older people rely on them disproportionately. That is why it is such a priority for me and the Department.

The first and overarching long-term goal is to reverse the decline in passenger numbers outside London that we have experienced over the last four decades, since deregulation. We are basing our reforms on the evidence. Where franchising remained, in London, passenger numbers have been steadily driven. Where public ownership was retained, in Reading and Nottingham, their bus companies routinely compete to be the best bus operators in the country. That is why we want to give those same powers to every area of the country, so that they can have the flexibility and opportunity to build those networks or set up publicly owned bus companies, as they see fit.

Bernadette always reminds me that the first thing I ever said to her when I met her was that I wanted the Department to become an enabling Department—to move from being permissive and allowing the right to request franchising, to getting out there into the country and supporting local transport authorities and mayoral combined authorities to develop bus networks. That is why we have moved resource out into the regions. We are resourcing the Bus Centre of Excellence so that we can skill up



local authorities and their capability, and support them to deliver the best and most appropriate system for their community.

Q5 Catherine Atkinson: Since 2008, as you indicated, we have seen such a decline in rural buses; I think across England and Wales it is a 52% decline. In the east midlands it is 60%; in some local authorities it is over 80%. The previous Government had a national bus strategy and our predecessor Committee wrote a report that said that “despite lots of positive rhetoric and some welcome action, the promised transformation has not been achieved.” I wonder whether the permanent secretary may be able to assist, in terms of lessons learned and what has gone wrong. Also, I know that the regions and local authorities are keen to get going, but I wonder what input you, Transport Secretary, may have, as to the role that the Department retains in ensuring that positive change.

Louise Haigh: The previous Government—a few Governments ago—legislated in the Bus Services Act, which allowed Greater Manchester to avail itself of the franchising model. That is already reaping benefits, with higher than anticipated revenues and passenger numbers. In the new year it will be completing the Bee network, which will be an exciting moment for Greater Manchester. It took Andy Burnham six years to bring a single bus under public control, which was ridiculous, given that he was elected twice in that period with the explicit mandate to do so.

The lessons learned from Greater Manchester sit behind our reforms. The better buses Bill, which we will publish very soon, will dramatically speed up the franchising process, bringing it down, we hope, to as little as two years, streamlining the audit process and providing capability to authorities, removing some of the operators’ ability to block, so that they can franchise much more quickly and efficiently and at much lower cost. It cost Greater Manchester millions of pounds just to go through the process. We are already learning the lessons from Greater Manchester, but perhaps Bernadette can speak to the Department’s role.

My take, certainly from being in opposition during the last Government, was that they were, yes, enthusiastic about buses, and actually spent significant amounts of money, but they were throwing money at a broken system. The system that I described, where private operators were allowed to pick and choose whatever commercial routes they liked, with no control over that, with local authorities having to step in to provide socially necessary services, is not fit for purpose. That is why we are putting both reform and funding behind our bus strategy. Catherine and Baggy will know that, under previous administrations in Derby, no socially necessary services were provided at all by local authorities, which left entire areas and communities completely unconnected.

Dame Bernadette Kelly: I welcome the Secretary of State’s recognition: I think some good progress was made, and there was renewed focus on bus services, over, I would say, the last five years. Historically, the Department has tended to be somewhat dominated by rail, and the refocus on the importance of bus services has happened



over a period of years; but the previous Government made a different set of choices about how the model should work. This Government and the Secretary of State have a fundamentally different way of approaching things.

I think we have learned a lot. Obviously, changing the legislation and making it easier for authorities to franchise their buses, and to do so swiftly, will make a big difference. I think that the Department will, as well, continue to have an important role in supporting those combined authorities and local authorities as they seek to regain control of their bus services. We know that capability and capacity are relatively thinly spread in many places. Greater Manchester is a well-resourced authority; not all parts of the country are as well resourced. We will have a really important role in working with Greater Manchester and others to spread the lessons and learning to other parts of the country, so that they can do more quickly what it took even a well-resourced authority six years to achieve.

Chair: Which brings me to Laurence, who has a question on that.

Q6 Laurence Turner: Thank you, Chair. I want to ask about funding, and bus fares specifically. Secretary of State, some welcome new funding has been announced for bus services—I think about £1.1 billion in total—but there was a significant increase in the bus fare cap. Why was the figure set at £3, specifically? Why wasn't it set at £2.20, £2.50 or a lower amount?

Louise Haigh: As Committee members will, I think, be aware, the £2 bus fare cap was funded to 31 December this year, and the spending plans that we inherited would have ended the bus fare cap completely. Particularly in rural areas, some bus fares would have jumped up by 650%. You get some bus services in rural areas that cost as much as £13 or £14 for a single trip. We were trying to avoid that cliff edge, with the very tight revenue settlement that we had received. Difficult choices had to be made elsewhere across the revenue settlement, to step in and fund a new bus fare.

It is important to note that we have designed this in a way that means that bus fares cannot rise any more than inflation. When the £2 cap was introduced, in areas like mine in Sheffield some fares were less than £2, but, because it was designed in such a way that it didn't stop any rises, they immediately jumped up to £2, and some fares artificially rose. We have designed this intervention in a way that means they cannot rise more than inflation, so I would still anticipate that urban fares will be below the £3 cap, because it is a maximum cap. It will benefit rural areas most.

The reason for setting it at that nice round figure is that operators and passengers tell us it is easiest to understand and market, but, as I say, it is a maximum—it is a cap. We were pleased to be able to negotiate with



the Treasury to step in and avoid that cliff edge, which would have seen a reduction in passenger numbers and services.

Q7 **Laurence Turner:** You said earlier that you wanted to base your reforms on evidence. Has the Department undertaken an assessment of the value for money and effectiveness of the cap policy and, if so, is it going to be published?

Louise Haigh: Yes, the Department prepared a monitoring and evaluation report of the £2 cap, and will be publishing that report shortly. I can share with the Committee that it slightly increased passenger numbers, but it found that it would be far better value for money if it was more targeted. That is why we kept the cap at £3 to protect rural services; but we are now working to see if we can find a way to deliver lower fares for young people, in particular. We believe that by protecting younger people we can change behaviours and ensure that we create a new generation of passengers on buses that are well used.

Q8 **Dr Arthur:** Good morning. It is good to be here talking about buses, and it is great to see the progress with franchising. I think we all agree that it is part of reversing the decline, but it is, I think, only the start. In Edinburgh we have a publicly owned bus company. Bus fares are £2. It does not cost the taxpayer anything. It is growing, but a barrier to growth is the lack of funding in the council to put bus priority measures in place on the ground in Edinburgh. Is that a challenge here in England as well? You talked about capability and capacity. Do local authorities have the funding and the ability to deploy that? Has that been an issue?

Louise Haigh: Absolutely. We have mayors now who have responsibility for bus services, and have bus funding, but a lot of the highways responsibilities sit with local authorities, so it is not joined up. That has to be considered. As well as the bus funding that was provided, we protected what is known as the CRSTS—the capital funding that enables mayors to put in place the infrastructure and bus priority measures.

We will announce the BSIP allocations very soon, but when we entered Government I was clear that we were moving away from the competitive nature of the funding that the previous Government presided over, which allowed politicians to pick winners and losers. As much as I would love to pick some winners and losers across the country, it is not remotely a fair way to go about things, and it massively raised expectations in some areas that then received no funding at all. It was very resource-intensive, both for those applying for the bids and for the Department in evaluating and monitoring them.

Instead, we have determined a formula that will sit behind the bus service improvement funding, and every area of the country will get its fair share. It will be transparent, fair and far simpler, and it will remove the competitive nature and mean that allocation is based on need, rather than preferences.



Dr Arthur: Okay, good.

Q9 **Chair:** We now move to rail, and I will ask a slightly cheeky question: which of the privately owned train operating companies will be the first to be nationalised, and when do you expect this to take place?

Louise Haigh: The reason we have taken a two-step process, in legislative terms, for rail reform, is that the first, very simple piece of legislation, which as I said is making its way through the House of Lords at the moment, gives me the total legal authority to take franchises in and keep them in. The current system allows the operator of last resort to take them in as a last resort, but then requires that they be kept in a state where they can be put back out to private market. That is why we are passing the first piece of legislation: to give us total legislative backing. We will then go forward with a much bigger piece of legislation next year, which will reform the railways and create Great British Railways.

We will announce at Royal Assent which operator will be the first to be served with its three-month notice and brought into public ownership, but we expect all services currently operated by private operators to be brought into public operation over the next three years. Four successful transfers into DOHL—I don't really like the acronym and we are trying to find a new one—have taken place in recent years: LNER, Northern, Southeastern and TransPennine Express. DOHL is scaling up to ensure the successful transfer of the remaining 10. I can confirm that there are 10 privately owned train operators currently contracted to the Department under private ownership. Two have expiry dates in May and July 2025, and the other eight have core term expiry dates. The first of those expired in September this year and the final one expires in October 2027.

Q10 **Chair:** We have the slight issue that at least one, if not more, of the DOHL-run companies is not doing very well, and at least one privatised company is performing well. I guess that is the challenge for you.

Louise Haigh: Yes. There are lots of different reasons why some train operating companies perform well while others do not. Obviously, the ones already in public ownership are not a great sample of the train operating companies. There is a reason they were all brought in—they were already performing really poorly. LNER is doing well now, as a result of our stepping in to resolve the very localised dispute, and TransPennine Express has seen its cancellations substantially reduced since coming into public ownership, but we know that Northern is not performing as well as it should. It is always a very heavily subsidised service.

As we consider the schedule of bringing the remaining 10 private operators into public ownership, we will balance operational considerations, as well as the benefit to the taxpayer, and how they are performing.



Chair: Baggy, do you want to probe a bit more on that?

Q11 **Baggy Shanker:** Yes, building on that a bit more, if that is okay, Secretary of State, what confidence can you give the public as to the benefit of bringing these rail operators into public ownership?

Louise Haigh: We are substantially reforming and expanding capability in both the Department and DOHL. The operator, which essentially will act as the owning group—the owning company—is doubling its capacity by January, and then doubling it again by next December, to ensure that it has sufficient people and expertise to manage the number of private operators coming in. The Department has an entirely new directorate, which oversees the public ownership transfer, and a new director, and we have significantly reformed the way we oversee that. I have weekly meetings with the Department, and I have very regular meetings with shadow GBR that bring together the operator of last resort, the Department and Network Rail, to try to drive integration and improvements while we are still awaiting the legislation to establish Great British Railways.

Chair: Okay. Katie, do you have a question?

Katie Lam: It has been covered.

Chair: We are also having the Rail Minister in front of us at our next public session, I think, in a few weeks.

Q12 **Catherine Atkinson:** The Transport Secretary will know how much it meant to me and Baggy Shanker when the enhanced Great British Railways was confirmed, with its headquarters in Derby, particularly at a difficult time for train building in Derby, which, thankfully, is back on track; but the whole country—particularly passengers—is keen to understand the detail. I know that the Transport Secretary moves quickly, but can you say when GBR will be fully operational and when legislation will be introduced? To follow up on that a bit further, could you also talk about how the Department has taken on board the views of industry stakeholders in the drafting of the Bill? You have already spoken a little bit about the role of shadow GBR, but can you talk about how it will relate to and work with the already formed transition team?

Louise Haigh: We will be going out to consultation very shortly on the railways Bill that we hope to introduce next summer. That will be a much more substantive piece of legislation. To pause on this for a moment, I do not want anyone to underestimate the scale of the reform challenge that we are undertaking. I have always been clear that public ownership and simply bringing the operators under the current operator of last resort is not a silver bullet. We have to massively reduce and simplify the mass of regulation that has built up over the last 30 years of privatisation, which, frankly, currently stifles a huge amount of innovation and progress in the railways.



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In setting up Great British Railways, we have to establish an entirely new organisation, and, crucially, it has to have a completely new culture and a new approach that does not underpin any organisation that works across the railways at the moment. How we establish that new culture is one of the things that I have tasked the chair of shadow Great British Railways, Laura Shoaf, to think about.

The problem in the railways at the moment is that we have dozens of competing and conflicting interests. We have 14 different operating companies and Network Rail. To give an example, when a train is delayed, rather than working together to see how we can fix that and make sure it does not happen again, dozens of lawyers argue over whose fault the delay was, how to attribute the blame, and who pays for the fault. The thinking behind setting up a directing mind is to make sure that they can plan the network efficiently, plan a timetable and work single-mindedly in the interest of passengers. There is a lot of work to do, as we do that whole-system reform and we hope to introduce the legislation next summer. At the earliest, we anticipate that Great British Railways could be operational by the end of 2026. The final operator, if it does not default on its contract any sooner, will come in in October 2027.

Shadow Great British Railways is designed to try to drive improvements and integration while we are waiting for legislation. It is simply a partnership of the Department, the operator of last resort and Network Rail to try to identify where we can deliver integration improvements in the interim. For example, where both TransPennine Express and Network Rail have their own station funding pots for the same station, can we not remove that duplication and deliver savings to the taxpayer? Where two operating companies are already in public ownership—for example, TransPennine Express and Northern—can we ensure that their tickets can be accepted on each other's services when they are in disruption? It is identifying both the backroom benefits of integration and the passenger improvements that we can also deliver. We did not want to sit back and rest on our laurels while we were legislating.

The biggest challenge that I have tried to bring to the Department is that we are all responsible for the real world outcomes, and not simply outputs. I keep joking—well, not joking, actually: I am deadly serious—that I want the performance stats and our outcomes plastered on the walls of the Department, so that we all take responsibility for the actual experience of passengers on rail and bus, in the real world.

Dame Bernadette Kelly: Can I add a point of emphasis to what the Secretary of State said? It is an enormous programme of change that is envisaged. It is not just setting up GBR; it is changing the entire system for how our railways are run, governed and regulated. There is the passenger standards authority alongside GBR, with a different role for the regulator and a very different role for the Department. It is a big and complex transformation programme, probably one of the most significant that is being undertaken in Government.



While I am absolutely with the Secretary of State on wanting to move fast and fix things, I am also acutely conscious that we have to get it right in the set-up of all these new institutions and this whole new system. It is complicated, but getting it right is critical. It will take some time. I absolutely understand the enthusiasm that you have for seeing GBR fully operational in Derby and making the railways run better for the nation. That will happen but there is a great deal that we need to get right along the way.

Chair: We have a few more questions on GBR, with Catherine first.

Q13 **Catherine Atkinson:** How do we ensure that freight is not forgotten when it is not part of GBR? I spend a lot of time talking to rail companies and providers. There is real concern about skills and the workforce. How will that feature in the work of Great British Railways, and how will work be done across the Department with other Departments, looking at skills?

Louise Haigh: Both are really important questions. We have been clear that Great British Railways will have a statutory duty to promote freight, and we will be consulting on stretching targets to encourage freight on to the railway. When we talk about passengers, we mean passengers in the broadest sense. We absolutely consider freight to be a passenger of Great British Railways. It will obviously remain completely in private ownership, but there will be a statutory requirement on Great British Railways.

As for skills, you are absolutely right, and just like in a number of other industries at the moment, the railways have an ageing workforce and that will present challenges over the coming years. It is part of the reason so many parts of the railways are still overly reliant on rest-day working agreements; they are not staffed up sufficiently to cover their services. We are faced with completely outdated terms and conditions across the railway, and workforce practices that are not fit to deliver a modern and efficient railway. That is being addressed, both in the short term and the long term.

The opportunity that Great British Railways presents is a whole railway workforce strategy, which has obviously never been the case. We can look across the railway not just at the operational delivery but at the supply chain more widely, which is very important to Derby, to think about what skills are needed. We are working in lockstep with the Department for Education and the new Skills England to make sure that we are addressing those needs both there and through the industrial strategy. Rail and its supply chain are absolutely crucial to our modern industrial strategy.

Q14 **Laurence Turner:** The Labour party's "Getting Britain Moving" document published in April said that Great British Railways would operate "without the micromanagement of the current system or of British Rail", but there is a long history of central Departments interfering, late scope changes and annualised budget setting. How will you achieve that laudable aim in practice?



Louise Haigh: Again, that is why we are taking the two-track approach to the reforms and why I have Laura Shoaf, as chair of shadow Great British Railways, sitting separately and very much outside the Department to think about how we establish that culture as completely independent, both culturally and operationally from the Government. It is also why we are thinking carefully about the regulatory set-up around it. It will be primarily regulated by the Office of Rail and Road, who will look at safety, efficiency and performance. We will also have the passenger standards authority that will ensure that it is focused on delivering for passenger outcomes.

I have been very clear with the Department that our role will be to hold them to account. That is why I am the passenger-in-chief and not the Fat Controller. As we go through the consultation period, where we will engage extensively with industry stakeholders, we will ensure that that operational independence is absolutely sacrosanct. As you say, it has dominated not just the last few years, particularly post covid; it was prevalent through British Rail as well. We need to make sure that this is neither British Rail 2.0 nor that it continues or embeds some of the poor practices that we have seen over the last few years.

Q15 **Laurence Turner:** Would you say that that ambition is shared across Government in other Departments that may take an interest, including the Treasury?

Louise Haigh: We were really pleased with the Budget negotiations to negotiate a risk-sharing agreement with the Treasury, which means that for the first time in a long time—

Dame Bernadette Kelly: Since pre-covid, I think.

Louise Haigh: We have merged some costs and revenue decisions in the Department. It means we can take those decisions based on spending to try to generate revenue for the railways, whereas before all cost decisions sat with the Department and all revenue decisions sat with the Treasury, which is not a sensible way to run any organisation. We are pleased to see that the Treasury absolutely backs these reforms.

The reason we have been able to move as fast as we have in these reforms is that we did a lot of thinking about this in opposition. You mentioned the "Getting Britain Moving" paper that we did. That was all done in a cross-departmental way in opposition to ensure that we had consensus across Government and could get cracking on these reforms as quickly as possible. It is an enormous reform programme. It will take a lot of co-operation and support across Government. We want to see it done properly but as quickly as possible.

Q16 **Rebecca Smith:** I have two questions. One is shorter than the other, so I will do the short one first. Obviously, this is the biggest transformation we have seen of the railways. How long do you anticipate that taking, particularly in terms of what the public are going to see? Are we going to



see change in the next five years, or is it going to take another 30 years, as we have seen since privatisation? I am interested in the timescale that you are expecting.

Louise Haigh: Absolutely. That is why we did not want to sit back and wait for Great British Railways to be set up and why I asked Laura Shoaf, who was chief executive of the West Midlands combined authority and has a lot of experience in delivering tangible outcomes for passengers across the west midlands, to focus on delivering that in the interim. We are already seeing the green shoots of what integration and reform can achieve. On LNER, we are now down to near zero driver-related cancellations. TransPennine Express has significantly reduced cancellations. We have seen improvements in the Northern service because we facilitated the rest-day working agreement.

We hope to see improvements in actual passenger benefits—things like the automatic acceptance of TPE and Northern tickets during disruption. That was not possible under the previous system because they were all competing operators. We will be publishing, as I announced to the House on Monday, performance data at stations to be transparent with the public so that they can hold us to account as well.

None of the benefits of integration will happen overnight, but we hope to gradually see these improvements. The overall aim is to bring down the record cancellations and delays that we have experienced over the last four years and deliver a much simpler and less fragmented railway that delivers a better service for passengers and, crucially, for the taxpayer as well.

Q17 **Rebecca Smith:** How much of the previous Government's work on rail reform, which had got as far as publishing a draft Bill, are you able to repurpose, or are you starting from scratch?

Louise Haigh: We took a lot from what the previous Government did and, indeed, the review that Keith Williams conducted for a previous Secretary of State. When we launched our plans in opposition, we were really pleased to garner the support of Keith Williams for those reforms. We had learned a lot of lessons, and we agreed on a huge amount. Grant Shapps, in his foreword, talks about how franchising had failed and had created a very fragmented and complex system that was not working in anybody's interests effectively.

We have been pragmatic in taking a lot of that learning, but then going that little bit further in bringing operators under Great British Railways. I am grateful in particular to the work of the transition team that you mentioned, Catherine, that currently sits in Network Rail. They have done a huge amount of work on whole industry financial modelling, on the branding of Great British Railways and on fares and ticketing reform. We will absolutely be continuing with that capability and that work as we look to establish Great British Railways.



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Q18 Dr Arthur: You have already touched on the great job that LNER are doing connecting Edinburgh and London. Sitting alongside them we have Lumo, the open access operator, targeting people who are currently flying. This is obviously a once-in-a-generation opportunity to reform the railways. Where do open access operators fit in?

Louise Haigh: That is a good example of where we are basing the reforms on evidence and not being ideological. I am very happy for open access to play a full role in the future of the railways. Lumo have done a really good job, as you say, in encouraging people on to the railways and off aeroplanes. They provide a very reasonable service between London and Edinburgh and are providing competition with LNER.

It is about where open access is not abstracting revenue from the service and whether it fits, crucially, because parts of the network are really constrained and at capacity already. That is, again, part of the reason we need Great British Railways to be able to plan the network based on actual capacity rather than operators just bidding in for slots. They need to do it as efficiently as possible. We are really happy for operators like Lumo or Grand Central to play a full role because they are delivering improvements for passengers.

Q19 Katie Lam: Secretary of State, in the rail discussion that we are having, and in the bus discussion, you have talked about the size and significance of your planned reforms. Could you talk a bit about international comparators and whether other countries have successfully carried out this kind of reform and have systems that we might like to emulate or, more negatively, that we could learn from to avoid doing the same sort of thing?

Louise Haigh: Absolutely. The Department routinely carries out extensive analysis of international systems. While it is difficult to always compare like for like, we have looked to other systems to learn, particularly from their regulatory environment. The work that we are doing to reform the regulation of the railways is the biggest part of the reform. Getting that right at this stage is really important, so we have looked at how our European neighbours do it.

The biggest piece of work that we have undertaken is in developing our integrated national transport strategy. Where other countries are successful in delivering public transport that works, it is because—to your point earlier, Olly—local areas have the powers, the control and the funding to build integrated transport networks at a local level. This country has been very centralised for too long. That is why, at the heart of all our plans, both for public service reform and as we develop our integrated transport strategy, we look to deliver the powers, the control and the funding to as local a level as possible so that they can join up their transport services.

We talk a lot in the Department at the moment about Dijon, which I visited in opposition and officials have now been out there to see it too.



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They have created an incredible integrated transport system there that integrates not just their public transport systems but micromobility. The company that runs their system runs the parking spaces, so they can price dynamically based on levels of air pollution or however they want to encourage behaviour. The same company that runs the system has stretching targets on encouraging people to walk as well. It is truly integrated across every mode of transport. It is that kind of inspiration and thinking that we are taking into the Department at the moment.

Chair: Secretary of State, these are really interesting answers, but could you try to compress them a bit? We want to get to the whole width and breadth of your Department. Olly, do you want to ask a quick question on freight?

Q20 **Olly Glover:** Yes, I have a quick follow-up. First of all, Chair, I hope you have noted the strong recommendation that we should go to Dijon for a Select Committee visit.

Louise Haigh: Great wine and mustard.

Olly Glover: How do you feel the balance is in this country between passenger services and rail freight? Are there any risks from GBR's close alignment between infrastructure operations and train operations in creating space for freight, given that it is open access and private sector?

Louise Haigh: I understand that freight often feels very much like the second-rate partner on the network, and there has to be negotiation. At the moment it is extraordinarily inefficient between operators, with passenger services and freight operators bidding for slots. As I said, Great British Railways offers the opportunity to plan much more efficiently. Providing a statutory requirement to consider freight as well as really stretching targets will ensure that they are not only providing the slots for freight but making the investment decisions that will open up freight opportunities across the country. A number of investment and infrastructure decisions that are relatively small in railway terms have been held back for some time because there hasn't been sufficient attention to freight.

Chair: We will now move on to infrastructure. Baggy Shanker will lead off.

Q21 **Baggy Shanker:** Another area that I am sure you have had lots of meetings and discussions about, Secretary of State, is HS2. What is the Government's latest strategy on value for money if the line does not proceed further north than Handsacre?

Dame Bernadette Kelly: The last value-for-money assessment that we did on HS2 in the Department, which I did as accounting officer, was linked to the previous Government's decision last October to cancel phases 2a and 2b. That letter is available. It was sent to the previous Committee and the PAC. At that point, our assessment was that the value for money of continuing with phase 1 had a BCR of between 1.1 and 1.8, but my letter also acknowledged that that assessment was done



according to Green Book methodology at that point in time—for example, it included some costs. If you look at the totality of phase 1 as it is now envisaged, based on our then estimate of costs and benefits, it does not represent high value for money. It costs more than the benefits that phase 1 alone can ultimately deliver.

That was the assessment we did then. We have not done an assessment since; I have not done an assessment since. We are still working through—I am sure we can say more about this, and the Secretary of State will want to say more about it—exactly what phase 1 and completing delivery of that is going to cost. We are also working through exactly what the benefits of phase 1 will be, based on this Government's plans for scope. At that point there will be a full business case and I would expect to do another value-for-money assessment, as that has not been updated since the decision last October.

Q22 **Baggy Shanker:** Are there any timings around that?

Dame Bernadette Kelly: There is quite a bit of work to do. To reach a conclusion on exactly what we now think phase 1 will cost, there are some very difficult and complex issues that we are seeking to resolve, including around scope, of course. The Government have just announced plans to tunnel to Euston, which is a significant decision. We need to work through exactly what the profile of spend on phase 1 is going to be in the spending review. That will have an impact on its total cost as well. There are a number of more technical issues that we are seeking to work through with the company to ensure that we have reliable cost estimates, and therefore an out-turn range that we can rely on. That work is going to take some time and will not be complete before the spending review. That is the sort of timeframe, but I do not want to give an exact deadline. There is a lot of work to do.

It is important that Mark Wild, the new CEO who is due to join, is able to properly own and lead that work. We want to allow him the time to work with us to resolve some of those issues. I feel that I am now straying into the Secretary of State's territory.

Louise Haigh: Specifically on that, the arrival of Mark Wild is really important to the organisation. HS2 has been without a proper CEO for over a year, which is not good enough when you consider the scale of the organisation and the public money that it is spending. Mark Wild arriving will be really important.

On entering Government, we immediately took steps to reinstate the cross-ministerial taskforce that had not been in place immediately prior, to oversee the delivery and the cost control of HS2. I was struck that there had not been much Government political oversight of the cost control of HS2. Frankly, it had got out of control to the point where, as Bernadette has just said, we do not yet know how much phase 1 will cost. That is partly due to the fact that we have just announced new scope in confirming the delivery of the tunnelling to Euston. I also asked



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James Stewart to instigate a governance review—he will provide the interim findings next month—to look at HS2 Ltd itself and whether it can be delivered in a much more effective and efficient way.

Q23 Alex Mayer: As you have just mentioned, the Chancellor recently announced that public money would ensure the construction of the tunnels bringing HS2 to Euston, and that is welcome. Passengers who currently use Euston station know that, quite frankly, it is rather grotty. I am sure that they and indeed new passengers will be keen to know how the Government expect to finance the construction of the new Euston terminus and the wider redevelopment of the area.

Louise Haigh: There are three stations that will need work at Euston. There is the conventional Network Rail station that, as you say, needs a bit of redevelopment; the new HS2 station; and the underground station. Under the previous Government there were several attempts to try to bring that work together. None of their proposals was affordable.

We are working with Camden and the GLA through a potential development corporation to look at how we can leverage private finance into the new HS2 Euston station. The conventional station will be publicly funded.

You may be aware that we have already taken steps, which is another good example of where integration between Network Rail and train operating companies has already delivered improvements. Euston had become famous for the so-called Euston dash, where platform announcements were made far too close to train departures. Network Rail and the train operating companies now have an integrated station management plan to avoid that happening. Passengers are moving around the station much more freely and the large advertising screens that unduly agitated passengers have been temporarily turned off.

Q24 Chair: That is fine in the immediate term, but can we be assured that the final solution for Euston stations—all three of them—will be big enough, with adequate passenger circulation capacity and platforms to serve the rest of the 21st century?

Louise Haigh: Absolutely. That is the challenge, and the previous Government went through a number of iterations. That is why we need to set up the right delivery model that takes responsibility, and can be held accountable, for capacity, for the track and for getting passengers out and into London, as well as in the station. We are looking creatively at private financing options, but the tunnelling to Euston, as the Chancellor announced in the Budget, is publicly funded, which we are really pleased about.

Dame Bernadette Kelly: The history of the HS2 station at Euston has been difficult to say the least, as I am sure the Committee knows, but one of the opportunities that now exists is to look at Euston in a much more integrated way—to look at the high-speed station, the conventional



station and the underground station as a whole and think about what is needed to meet future demand.

Q25 Rebecca Smith: Obviously linked to the HS2 development is the impact on Old Oak Common. Changes to journey times from the south-west start this weekend. The Rail Minister heard quite strongly earlier this week that that has not been communicated to enough passengers in the south-west, but that is an aside.

What thinking has been done to mitigate the impact on those lines that are essentially paying the price for an enhanced railway service for the north of the country—to facilitate HS2? Under the previous Government, train journeys from Plymouth had got to as low as three hours, but that will become a thing of the past for people in the south-west. What is being done? Will you be able to offer any sweeteners? The Tavistock to Plymouth line was promised by the last Government, directly paid for by HS2 funding. I realise that there are arguments over that money, but what is likely to happen and how do you envisage reassuring people in the rest of the country that they are not going to be paying the price for HS2?

Louise Haigh: I spoke to the Rail Minister after your meeting. He was suitably affected by your collective concerns and, as I am sure he communicated, has agreed to go away and consider with Network Rail how we can minimise that disruption. We are very conscious that services will be disrupted to the south-west over a very long period. Lord Peter Hendy will be considering whether that can be minimised at all.

On the Tavistock line, as you know, it was included in the restoring your railway programme. The restoring your railway funding stream has been cancelled but the individual programmes in it have not. That will be considered as part of the internal capital review that I am undertaking ahead of the spending review. For every part of the country, we will be considering infrastructure capital and local spending as we go into the second phase of the spending review, but the south-west will absolutely benefit from the significant uplift in highways maintenance funding, from bus service improvement funding and from the wider uplift in local bus services. We are very conscious of the particular disruption that Old Oak Common will cause to the south-west. As I say, I am sure that the Rail Minister will be back in touch very quickly to determine how we can minimise it.

Q26 Catherine Atkinson: When you became Transport Secretary, you said that transforming infrastructure, promoting social mobility and tackling regional inequality were strategic objectives. In this room you are likely to find many who agree that investment in transport infrastructure is key to the Government's growth mission.

As you just indicated, due to the financial inheritance difficult decisions have been made in relation to the restoring your railway fund and Network North projects. What more can you say about the progress that



has been made in reviewing those projects? How can you ensure that infrastructure, particularly rail infrastructure, plays its part in the industrial strategy? Are you satisfied that the Department has the right tools to appraise the full benefits of potential capital projects?

Louise Haigh: I am pleased that you link that to appraisal because that is at the heart of our infrastructure strategy as we look towards the second phase of the spending review. When we entered Government there was £2.9 billion-worth of unfunded transport projects in the Department for Transport and a significant number of those were in the restoring your railway programme.

There were massively raised expectations by the previous Government around funding commitments, through both the cancellation of HS2 and various funding streams such as restoring your railway. We wanted to resist calls to commit to very specific pieces of infrastructure and campaigns around specific stations or lines, and take some time to develop an infrastructure strategy that serves this Government's strategic priorities, which are promoting growth, tackling regional inequality and driving median incomes. That is why the Department is undertaking a significant piece of work to reform our transport appraisal guidance and ensure that it properly considers socioeconomic outcomes. At the moment it does not recognise that £1 is worth more to those on lower incomes than those on higher. As per the Treasury Green Book, we want to make sure that our appraisal guidance properly values costs and benefits to people on different incomes.

We are moving to a more vision-led approach to planning which will allow much more multimodal design of schemes from the beginning and ensure that we tackle a problem in the most efficient and most progressive way, capturing the transformational benefits of infrastructure as well. I think that is where appraisal in the past has failed to deliver the most accurate benefit-cost ratio or value-for-money assessment. It has not properly captured the jobs growth and housing benefits in particular that transport can provide. We are looking to do that in a much more strategic way than perhaps the previous Government undertook. That is why it is taking a little bit more time as we look towards the infrastructure strategy in the spring and the second phase of the spending review.

Q27 **Olly Glover:** We have already touched a bit on the benchmarking of international comparisons and some of the challenges around those. There are many benchmarking studies showing that UK transport infrastructure costs, particularly for high-speed rail and trams—you mentioned Dijon, and Britain Remade did a good study comparing Dijon and Birmingham tram extensions—are grossly disproportionate to a lot of comparators. What are your plans to understand the reasons for that and to tackle the root causes?

Louise Haigh: As you say, that was brought to light so clearly with HS2, which is a particularly egregious example, but it is true of all major infrastructure projects in this country. In opposition, I commissioned



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Jürgen Maier, who is now the chair of GB Energy, to conduct a review into exactly why that is the case. Part of the reason was political—the stop-start nature of projects, and rescoping or reprofiling them time and again—which we sought to avoid in the Budget. That is why we were delighted that the Chancellor confirmed funding for major schemes such as the trans-Pennine route upgrade and East West Rail. A massive part of the reason is planning, however, which is why the Deputy Prime Minister is bringing forward a significant piece of legislation in the planning and infrastructure Bill. We have worked very closely with her on that through reforms to the Transport and Works Act and other wider pieces of infrastructure legislation that will allow the speeding up of planning and allow some concurrent planning processes to go ahead, which will reduce the time and cost of major infrastructure.

Dame Bernadette Kelly: Can I add a couple of things? I completely agree. Politics and planning are two of the endemic challenges that we have faced in the cost of delivering infrastructure over past years. There are other things too. The nature of our geography and what we are building on is a major factor. The fact that we are often building off Victorian infrastructure creates complexities. We are a relatively smaller country than some and we tend to build in city centres, which adds cost as well.

There are some more technocratic things that we need to work on. We have an underperforming supply chain. We need to think about how we can drive the productivity and efficiency of our supply chain in constructing new infrastructure or improving the infrastructure we have. It is important that in the Department we are completely honest in addressing the things that are within our control and not just looking at the things that feel as if they are not. There are things that we need to learn, and are learning, about how we set things up for delivery, and effectively how we build organisations to have the right capability and competence to deliver infrastructure efficiently, as well as how we ensure in the Department that we are genuinely building the capability that we have.

We have already done a lot of reflection on the lessons from HS2. James Stewart’s work and the independent review that the Secretary of State has commissioned will provide some very important further insights into how we can ensure that we do not repeat some of the challenges and that we are delivering infrastructure more efficiently and more effectively. There is a lot here. I can talk at great length, but the Committee does not want me to do that. There is a lot for us to learn and a lot for us to improve.

Chair: Catherine, do you want to come in on what Dame Bernadette just said?

Q28 **Catherine Atkinson:** Yes, if I could. You mentioned that stop-start and boom and bust massively contribute to cost when you do not have a steady pipeline of work, whether it is the supply chain or other



infrastructure projects. What is being done to try to ensure that we do have that steady pipeline, which is a real way of bringing down costs?

Louise Haigh: There are two parts to that. There is both infrastructure and, obviously for a Derby MP, the approach to rolling stock and the wider supply chain. The Department is working to establish a long-term strategy on rolling stock to flatten out orders across the industry. Again, Great British Railways offers the opportunity for us to do that in a co-ordinated and efficient way. The industry has been characterised by feast and famine over the years, which has led to enormous job losses time and again, and then staffing up in periods of over-orders that we need to avoid.

The long-term pipeline of infrastructure, both on road and rail, will be informed by the 10-year infrastructure strategy that is being led by the Chief Secretary to the Treasury and will work across DSIT, DESNZ, MHCLG, myself and DBT to join our transport, industrial strategy, energy strategy and housing, to ensure that they are all properly supportive of each other because we are all completely symbiotic. For the first time there will be a very ambitious long-term national infrastructure strategy.

Dame Bernadette Kelly: We are working very closely with colleagues in the Treasury and Cabinet Office on the establishment of NISTA, which we hope will be an important institution both in helping the Government to develop their long-term pipeline for infrastructure and providing the evidence base and the assessments, just as the NIC does at the moment, and in building capability both in Government and in our delivery partners to build the infrastructure efficiently.

Q29 **Chair:** I want to pick up a point that the Secretary of State mentioned about the appraisal of transport schemes, which is something that frustrated the Transport Committee in the previous Parliament in an inquiry that I was on, and a couple of new Members have mentioned it to me. For example, getting a businessperson in their car to shave 10 minutes off their drivetime is seen as a benefit, whereas others are not. Do you feel that the Department has sufficient tools to fundamentally revise the way we appraise the benefits of transport projects?

Louise Haigh: We have a new chief analyst who brings a significant amount of expertise and passion to this area, which is fantastic. I am working closely with him and his team to ensure that our appraisal properly reflects socioeconomic outcomes, health outcomes and the transformational benefits of transport.

My reflection—I am sure Bernadette will add to this—is that the appraisal currently assesses a huge number of different inputs. As politicians we should avoid being overly reliant on that appraisal. Ultimately, our decisions are political. We can use the appraisal in front of us in whatever way we want. What I have found is that if I ask the team to provide me with projects that highlight or bring to the fore different outcomes, they are absolutely capable of doing that. If it is a political choice to reflect



tackling regional inequality or socioeconomic outcomes, the appraisal guidance will, after this round of reforms, allow us to do that.

Dame Bernadette Kelly: I find myself slightly defending transport appraisal guidance quite often in front of Select Committees. It is actually much more complicated in the Department than we are often given credit for. The caricature that it is all about the economic bang for buck, or whatever, is overstated. It is more sophisticated than that. We constantly work to refine it.

That said, there are some significant areas for improvement. Jo is actually leading our work on that at official level, so may wish to say more about the detail. The Secretary of State's point about political choice is critical. It has never been the case that we stack up all the BCRs of all the potential projects or investments and then top-slice the ones at the top. Politicians have always made choices, and can always make choices.

One of the things we have built in strongly to our value-for-money assessment and my role as an accounting officer is ensuring that we look not just at the business case in narrow terms but at the strategic case for investment and how that is aligned to the objectives of the Government. It is more flexible and more sophisticated than is often understood.

Jo Shanmugalingam: It is not only what the appraisal guidance says, but how it is used. Already today, it is not just us using the appraisal guidance. It is local transport authorities right the way across the country. As we move to being a Department that is enabling local leaders to make more decisions, it is about how we support planners and local transport authorities to see the opportunities and see how the appraisal guidance can help those political leaders and decision makers to make judgments. Often, the tools are there but then it goes back to capacity and capability. In a complicated set of guidance, it is easy to revert to the thing that you have done before. We have a responsibility to help all local transport authorities understand the future tools, flexibilities and different insights that the appraisal guidance will enable decision makers to use.

Chair: That is helpful. Let us move on to another crucial part of our transport infrastructure and one that is in all MPs' email inboxes.

Q30 **Dr Arthur:** Potholes: I was really pleased that you mentioned them in your introduction. I am sure, as you go around the country, you must be ashamed at the state of the roads. We have to remember that when we are talking about potholes, it is also about footpaths and the barrier that poor footpath condition can be. Realistically, over a five-year term, what kind of impact can we make, particularly given the state of local government funding?

Louise Haigh: During the general election campaign, when we managed to get the financial commitment over the line on potholes, the Health Secretary dubbed me "the pothole princess", which I will take.



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It is a significant commitment in this Budget to 2025-26, and well beyond where our manifesto commitment left us, to fix and repair up to 1 million potholes per year. That is just for 2025-26. The ambition for the second phase of the spending review is for similarly ambitious levels of funding but, crucially, over multi-year funding settlements. The current annualised settlement for local authorities means that they cannot do the prevention work and the planning that is so patently required to fix the crumbling state of our local roads. We know that that prevention work is much more efficient than patching up or doing repairs. As annoying as potholes are, I know that it is even more annoying for residents to see people come round, patch it up and then have to come round and do it again in just a few months' or even weeks' time. Being able to provide that multi-year settlement at the spending review will be crucial.

What we are trying to work through now, as we get to 2025-26, is a way to ensure that that funding is absolutely directed and spent on highways maintenance. There is obviously a risk and a balance with devolution that money goes out the door that is intended for potholes and road maintenance but gets dragged into other areas. We are just trying to find the most light-touch way to ensure accountability around that funding, to make sure that it goes where it is intended.

Dame Bernadette Kelly: It is probably also worth mentioning that the NAO published a report on this a few months ago. Indeed, I am appearing before the PAC to answer questions on it next week—on the condition of our local roads. Money is undoubtedly important, both for the confidence in future funding streams and quantum now.

There are other things that the report highlights that we can and should be thinking about in the Department. One is ensuring that there is a good understanding of the condition of our roads. We published a new road condition data standard quite recently. Obviously, local roads maintenance is for local authorities. The question is how we can best support them in identifying best practice in the efficient maintenance of their roads as well. We need to think about how we support the activity and the responsibilities of local authorities.

Q31 **Dr Arthur:** I am sorry to be a pedant, Bernadette, but when we talk about roads, we are also talking about footpaths. I get that there is an issue about roads, but we are talking about footpaths as well.

Dame Bernadette Kelly: Yes. Sorry, I didn't mean to exclude footpaths.

Chair: For those watching who want to delve deeper into this subject, tomorrow week, on Thursday morning, I am guesting in a Public Accounts Committee session that is all about the condition of local roads. That session will go into it in depth. We will see you there.

Q32 **Laurence Turner:** I want to talk about motorways as well. As you know, drivers' journey times are going up, and something went very badly wrong with the smart motorways programme. Our predecessor



Committee said that National Highways had over-promised and under-delivered in the last road investment strategy. The regulator has just found that there was a breach of a National Highways licence. What is your assessment and the Department's assessment of what has gone wrong with road infrastructure delivery? What are you doing to fix it?

Louise Haigh: Bernadette can speak to the lessons learned from RIS2, but my understanding, certainly from the National Audit Office report and from holding the Government to account while in opposition, was that again it was overly ambitious and over-programmed, with very ambitious new road schemes. There was consensus among the predecessor to this Committee and other stakeholders that the focus should be much more on maintenance rather than upgrades and new schemes. Those are the primary lessons going into the third road investment strategy, as we look to publish that in the new year.

Going back to Olly's point earlier about the delivery of infrastructure, our planning reforms elsewhere will reduce the cost and the time of delivering schemes that plagued RIS2. Those are the lessons that we are taking into RIS3 as we look to publish in the new year.

Dame Bernadette Kelly: I have a couple of additional points. We expect that RIS3 will be quite different from RIS2. When this was looked at by the NAO they identified quite a lot of delays in delivering on particularly the new schemes—the new road enhancements. A lot of those delays were linked to difficulties in getting DCO approvals and then addressing and seeing through what can be a very long tail of legal challenge. We have learned a lot of lessons on all of that, certainly National Highways in terms of its DCO application process, and of course the Government are looking more widely at how we deal with accelerating the planning system and legal challenge within it. I hope and expect that we won't see a repeat of some of those challenges in RIS3.

The other thing to be conscious of is that National Highways is increasingly an organisation not just about civil engineering. It is about technology and operating the roads efficiently. That is an increasingly critical part of its role on the national road network. I have the data in front of me: it is now meeting performance requirements. Obviously, the challenges that we have seen before on stopped vehicle detection and things of that sort are things that National Highways are taking very seriously. They have KPIs and they are working with us to ensure that they are achieving the KPIs that we set for them.

Laurence Turner: I was going to ask about RIS3 but it has been answered, so thank you very much indeed.

Chair: We now move on to greener transport.

Q33 **Olly Glover:** The new Government published a paper, "Getting Britain Moving", containing a commitment to set targets for modal shift as part of helping to lower emissions from the transport sector. When do you anticipate those targets being introduced?



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Louise Haigh: That modal shift ambition and targets were, as you say, included in our “Getting Britain Moving” paper addressing rail reform. It is much more about carrot than stick, and making sure that rail is an attractive proposition for people to move on to, and for freight as we discussed earlier. It is about setting a very stretching target for Great British Railways on freight to encourage the shift. We will set out those targets as we look to legislate for Great British Railways ahead of its operational introduction.

Q34 **Olly Glover:** Do you have any early thinking about what type of targets they are likely to be? What approach to the target setting are you likely to take?

Louise Haigh: We need full consultation with industry in particular over the freight target. The previous Government had an increase of 75% in their freight targets by 2030, I think. We want to be more stretching than that, but we need to make sure it is achievable and absolutely in line with our infrastructure investments as well, as we discussed earlier. In terms of passengers, it would need to be done in consultation with local leaders and our devolved authorities and settlements to make sure that they are as ambitious but achievable as possible.

Jo Shanmugalingam: More generally, we will be working with colleagues on the next carbon budget delivery plan, which will take us through to the end of carbon budget 6 in 2037. That will come out next year.

Q35 **Olly Glover:** How do you feel that the decision to freeze fuel duty while raising the bus fare price cap and having above inflation rail fare rises aligns with the Department’s commitment to greener transport?

Louise Haigh: I understand from a pure transport policy perspective why there would be people who would make the case for increasing fuel duty to encourage people out of their cars, but in the current context it represents a significant cost of living issue for many of our constituents. My take is that in too many parts of the country at the moment, there are no alternatives for lots of people. If you are a care worker operating in shifts and having to get around in any environment, whether it be a city or a rural area, you are absolutely reliant on your car. In a lot of rural areas, you are reliant on your car if you are fortunate enough to have one. I know that was a lot of the thinking behind the Chancellor’s decision to freeze fuel duty—it represents such a massive cost of living pressure.

I welcomed the announcement to increase air passenger duty so significantly on private jets, as one of the most significant polluters per passenger. Our ambition is absolutely to make public transport more affordable but, crucially, more reliable. That is my overriding objective. It is reliability that keeps people off buses and bus services. That is the single biggest obstacle at the moment.



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Q36 **Olly Glover:** I am very glad you mentioned aviation because I have a question on that to come. I totally understand what you are saying, Secretary of State, about the importance of cars, but some people on the lowest incomes do not have a car at all and they will be bearing those bus fare increases. I hope that is being taken into consideration.

Louise Haigh: Absolutely. As I said earlier, we would not expect all fares to rise to the full £3. They will be capped in line with inflation. We hope that the people who are most reliant on buses do not see significant increases in their bus fares. The £1 billion of public money that is going into bus services is absolutely meant to increase those services and their reliability. In too many parts of the country that I have visited, they do not have bus services that start before 9 am, and those services finish before 5 pm. They are not fit for purpose, which is the overriding objective behind our reforms and the way our funding is targeted to increase services, improve reliability and encourage and help more people on to the bus. I absolutely agree that those who are the most deprived are the most reliant on public transport.

Q37 **Olly Glover:** On aviation, when we visited the Department earlier in the week we were interested to hear your plans for decarbonising aviation. The 2023 Royal Society study in relation to sustainable aviation fuel estimated that, to meet just UK aviation fuel demand, more than 50% of agricultural land would need to be dedicated to biofuels, or at least two and a half times the UK annual renewables generation would need to be dedicated to producing synthetic fuels and the various other ideas out there. Do you believe that sustainable aviation fuels are realistic, or do they run contrary to the law of physics as a way of decarbonising aviation?

Louise Haigh: We absolutely think that sustainable aviation fuel will be an important part of the mix. It is certainly not the sole answer to aviation decarbonisation, but we are confident that the industry can meet the mandate we have set, which will be introduced on 1 January next year at a level of 2%, rising over subsequent years.

There are plenty of technologies being developed by other airlines and members of the aerospace industry. For example, easyJet are investing heavily and looking very carefully at hydrogen. Under the last Government we had the first transatlantic flight on sustainable aviation fuel, proving that the technology is safe and capable. One of the most interesting things about that flight, though, was that a significant amount of its carbon savings were achieved because it flew in a straight line between the UK and the US. That is absolutely behind our plans to modernise airspace. We are out to consultation at the moment on the UK airspace design system, which will allow us to reorganise airspace much more efficiently. I was talking to one short-haul provider the other day who said that their flight between the UK and Spain uses 22% more fuel than is required, so it adds unnecessary costs to air travel. Those carbon emissions are also completely wasteful. If we could design the airspace more efficiently, that would be a big part of modernisation.



Jo Shanmugalingam: On the choice of fuels, you will know that in the SAF mandate the Government set a cap on HEFA, the hydroprocessed esters and fatty acids, which reduces over time, and have also set an obligation on power-to-liquids to encourage future generations of technology to enable and ensure that we have those supplies. It is why we are supporting, through the advanced fuels fund, the development of those advanced technologies and the legislation to come forward on the revenue certainty mechanism to ensure that we get the investment behind the real commercialisation of those technologies, which is a real strength for us here in the UK.

Olly Glover: I could ask many more questions, but I have had my time.

Q38 **Rebecca Smith:** This is potentially a bit granular, but it keeps coming up and has sat with me for a number of years. I have done a lot of work in planning in the past.

We obviously want to encourage as many people as possible to use electric vehicles. I do not know what my colleagues found, but over the election period I found that most of the houses that had an electric vehicle were detached. They clearly had somewhere to charge it; they were clearly retired and had some spare cash to be able to facilitate that. At the other end, people who live in terraced houses were saying, "How do I charge my car?" and I had to go back to them and say, "My particular local authority doesn't have a policy on how they want to facilitate charging from a home across the pavement," or whatever.

What can you do to push MHCLG to enhance the planning system, and push local authorities to crack on and get a policy, and not just to rely on on-street charging? That is not always going to be the entire solution. How do we help people in our poorer communities with terraced homes to charge those cars, if they aspire to buy one?

Louise Haigh: It is not a granular question at all; it is really important. Access to charging is obviously one of the biggest barriers, at least in perception if not, as you have described, in reality for people making the transition to electric vehicles.

We have already passed the milestone of over 70,000 publicly available EV charging devices in the UK, but I am very conscious that there is regional inequality in where those charging devices are. Obviously, there are significant numbers in London compared with the rest of the country. We are pushing forward with the LEVI fund, which will support local government in providing public charging infrastructure. The shift to the Department being more enabling will provide local authorities with the support and the capacity to apply for that funding and then navigate the complicated current planning system to be able to charge them.

For wider planning reform, we are already working with MHCLG and have agreed a number of reforms that will accelerate public charging points, and we are working with DESNZ to make sure that EV charging points



and wider decarbonisation are higher up the grid prioritisation. Grid capacity is a massive barrier.

Jo Shanmugalingam: There are two things. First, on the LEVI fund, the criteria for the allocation of funding to local authorities take into account a number of factors such as deprivation, the number of charge points today, and rurality to make sure that we best use the funding. On the future role of the Department, we are providing revenue funding to local authorities with that, to make sure that they have the capacity and can develop the plan for the right infrastructure for their local area. We consulted earlier this year on amendments to permitted development rights to support householder and business electric vehicle charging points. We will respond to that consultation shortly.

Q39 **Catherine Atkinson:** Building on that, what work is being done to look at the differential between on-street charging costs and motorway charging costs? It is one thing if you can always charge from home, but if you are looking at charging elsewhere there seems to be huge variability in the costs.

Louise Haigh: Charging at home can be as low as under 3p per mile so it is an extraordinary saving in comparison with petrol or diesel vehicles. The last Government introduced the Public Charge Point Regulations, which will start to improve consistency and standardisation. We are looking at ways to provide more transparency across pricing and oversee the massive differentials, but we will start to see improvements in the consistency of the quality. Anybody who has an EV and has attempted to charge in public will have found that lots of charge points are broken or do not accept contactless. We are working to ensure that there is proper consistency. We are also providing oversight on transparency in the differentials in pricing.

Q40 **Chair:** Finally in this section, you briefly referred to vision-led planning in terms of modal shift away from dependence on the private car and how new housing developments are very much part of the Government's vision and will be a key mechanism. The national planning policy framework is crucial. How are you working with colleagues in MHCLG to ensure that that vision is a core aspect of new housing developments?

Louise Haigh: We have fed into the new version of the NPPF to ensure that both active travel and public transport are fully considered when new developments take place. Active Travel England is already a statutory consultee to new planning. The vision-led approach is very much led by my Department. What it is trying to break down is the current state of affairs where you have a specific sponsor, be it Network Rail or National Highways, rather than looking at the challenge and then deciding from a multimodal perspective how you are going to meet that challenge. It is much more about looking back from the scale of the issue and then trying to design the most appropriate mechanism.



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Earlier, I mentioned the integrated transport strategy, which is trying to break down the very traditional approach to transport policy in this country, which has been infrastructure-led. We are trying to work back from people and be much more behaviour-based, and that thread is running through a number of pieces of work in the Department at the moment.

Chair: We now move to integrated transport policy.

Q41 **Katie Lam:** Secretary of State, you have mentioned a couple of times what the main aims of the strategy will be. There are also a couple of points about the timeline, both when you are looking to publish the strategy and the period of time that it will cover.

Louise Haigh: That goes back to my earlier point about Dijon and other areas, and European countries in particular, that appear to have managed to build much more effective integrated transport systems at a local and regional level. Part of the reason we have struggled to do that in this country is that we are too centralised, and we do not have those powers and funding streams at a local level. Also, as I say, we have taken an infrastructure-first approach. I am very struck by that now as the Secretary of State. Every time I set foot in this building I am lobbied by colleagues about specific stations or specific roads. I don't think the Department, or the industry, has taken enough interest in the past in how people want to move around and how people behave.

The strategy is an opportunity for us to sit back, take the behavioural science and the quantitative and qualitative data that is available to us across the country, and ensure that we have the right controls, power and funding at a local and regional level to build systems that work for people. As I said earlier, that will encompass all forms of transport, not just public transport but micromobility, e-scooters and e-bikes, ensuring that we are encouraging active travel. I will be setting out the overarching vision for that soon. We then hope to publish the strategy in full next summer.

Q42 **Katie Lam:** Do you have a sense of how long it will cover, or will it not work like that?

Louise Haigh: As in what timeframe it will cover?

Katie Lam: Yes.

Louise Haigh: I envisage it as a living document. It will set out where we want to get to in terms of devolution, and the control, best practice and guidance that exists around the country and around the world that local transport and regional transport authorities can learn from. It will not cover a specific timeframe, but it will set out best practice guidance and the tools that we want to make available.

Q43 **Baggy Shanker:** The UK plays a leading role in aerospace and aviation. Linking that with the industrial strategy, how do we invest but protect



manufacturing jobs? We have spoken about decarbonisation. How do we maintain a lead in the sector?

Louise Haigh: I was in Derby recently at Rolls-Royce seeing the fantastic work that they do there. Obviously, they are experiencing difficulties in their supply chain at the moment, which has a knock-on effect on the aviation industry and indeed aviation services more widely.

We are working with colleagues in the Department for Business and Trade to develop aerospace as part of their overarching industrial strategy. That is one of their key priorities both for working on skills and in ensuring that we have the investment in manufacturing. We have world-class manufacturing in this country. We do not just want to preserve it; we want to grow it because we have an enormous amount of expertise in advanced manufacturing. I am really proud that Boeing had its first factory in Europe, in South Yorkshire, and is developing state-of-the-art wing technology there that will contribute to airspace decarbonisation as well. It is a crucial part, particularly in areas of the country that suffered deindustrialisation in the 1980s. We want to make sure that we have the investment, jobs and skills there and we are working closely with DBT to ensure that we preserve and grow it.

Q44 **Rebecca Smith:** You previously stated that the Government would invest “unprecedented levels of funding” in active travel. When do you anticipate that unprecedented funding being allocated, and how? For example, I am interested in whether there will be a focus on plugging the gaps that exist at the moment, where funding has often come in chunks and part of a cycle path has been created but not the rest of it.

Louise Haigh: It is exactly the kind of thing that you have just described that the integrated transport strategy wants to address and look at. It is so frustrating for people to see half a cycle lane and then you are chucked on to a dual carriageway or on to a very unsafe stretch of road. We need to make sure that whatever is delivering those very perverse outcomes at a local level is properly addressed. Part of the reason for that is the stop-start approach.

The initial direction was set in the first phase of the spending review when we reversed the cuts of the previous Government to active travel, and provided £100 million of funding to Active Travel England, which is doing a fantastic job of going out to local authorities and skilling them up. That is the model that we are building on elsewhere in the Department. It provides capability rankings to local authorities to say what level they are at, to be able to write the bids for and then deliver the active travel infrastructure. The lesson from covid was that the money was out the door, and they required it to be built too quickly, which lost the support of local communities in some instances.

It is important that things are done with local people otherwise, as we have seen, it can get into a very messy culture war. It can become very unpleasant and toxic. I was very clear in the summer that we are



certainly ending any toxicity or politicisation of this issue because it is too important that we get it right. As we look to the second phase of the spending review, we hope again to move to multi-year settlements to avoid stop-start and constant rescoping. That not only delivers poor outcomes, but ends up costing the taxpayer more as well.

Rebecca Smith: That answers my supplementary question as well.

Chair: I have been on the Committee for quite a few years and I am very pleased that my new Committee members are also interested in some of the work that was done before.

Q45 **Dr Arthur:** Secretary of State, I am sure you appreciate as passenger-in-chief that many of our railway stations are difficult to access and difficult to navigate through, particularly if you have a disability. Is that something that you are giving consideration to?

Louise Haigh: Absolutely. When we set out our plans to establish Great British Railways, one of its six key priorities was accessibility. We are all too conscious that the railways are not working for disabled people at the moment. I am sure you have all seen Baroness Tanni Grey-Thompson's recent experience. I have met her on a few occasions since then. She said that she tweets only very rarely when things go wrong; it goes wrong far more often than she uses her social media platform.

We know that there are massive issues on the railway. We are working with the Rail Delivery Group to improve the Passenger Assistance app, which allows you to book a couple of hours in advance before travel. For too many people, even when they have booked it, the assistance is not there when they turn up. That is partly because of very different working practices across the railways, which we are trying to address.

The Rail Minister, through the passage of the public ownership Bill, committed for us to publish a rail accessibility road map, which we will do as we look to set up Great British Railways. That will look at both improvements and investment in infrastructure, and at the passenger experience and the customer service experience that disabled people have on the railways. The other important thing, as we set up Great British Railways, is that we will be establishing the passenger standards authority, which will be a one-stop shop for complaints. The problem at the moment is that people have too many different routes to complain, and therefore nobody takes responsibility and accountability. Accessibility will be one of the major things that the PSA looks at.

Q46 **Dr Arthur:** Rebecca's questions were about integrated transport. In terms of accessibility, do you feel that you have an integrated approach to how people travel?

Louise Haigh: The key principle of the integrated transport strategy is that we start from people's needs and work back. We had an internal conversation just last week about the need to think about accessibility first and foremost because if you have an accessible transport system it



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is inclusive for everyone. It is on that principle that we are building out the integrated transport strategy.

Speaking of Baroness Tanni Grey-Thompson, I was really pleased last week that she agreed to chair and launch the aviation accessibility taskforce. You may have seen on social media recently Frank Gardner's treatment on a Polish airline. Too many people are not flying with dignity. She is leading that industry taskforce for us that will look at measures that can be taken on a voluntary basis before we potentially look to legislate in the future.

Q47 Dr Arthur: I hope that as well as passenger-in-chief you are also pedestrian-in-chief. London has a pavement parking ban, and a similar ban started in Edinburgh in January if memory serves me right. The previous Government consulted about it in November 2020—that is when the consultation closed. I recently spoke to the charity Guide Dogs, who said that the No. 1 transport issue that people face is pavement parking. You don't have much money, but empowering local authorities to get a pavement parking ban that works right for them would not really cost you that much. Is it time to act?

Louise Haigh: I completely recognise how important that is for accessibility. I am sure it has come up when you have knocked on doors in your constituency; it certainly has in mine. We are considering what options we have because we want to make sure that any measures are not burdensome on local authorities and are done in the most effective way. I am really committed to responding to the consultation—I think it was two Governments ago—as quickly as possible. I will write to the Committee in the coming months as we respond to the consultation.

Q48 Alex Mayer: About two dozen places across the country currently have e-scooter trials. They have now been running for about four years, so presumably you have quite a lot of data from those trials. Given that, how do you think they are going? Do you plan to introduce legislation regulating the use of e-scooters?

Louise Haigh: We don't have parliamentary time in this Session, or a relevant Bill that could be used to regulate e-scooters, but we will look to legislate. It is clearly required. Again, it is not good enough that it has been left in this situation for so long.

We have expressions of interest out at the moment for more trials. There has been a lot of interest because it can be a really effective part of an integrated transport strategy. It allows people with accessibility needs to travel more easily, but there are undoubtedly issues around parking and street litter. We need to analyse carefully what journeys they are replacing and the behavioural impact of e-scooters. We will make sure in the second round of trials that we properly evaluate and consider all that data.

Q49 Dr Arthur: I would be interested to learn how your road safety strategy



is progressing. I know that many cities in the UK, including London, already have a vision-zero approach, where the plan is to completely eliminate serious injuries and deaths over some time. Other countries have adopted that. Will you consider that as part of the strategy?

Louise Haigh: I met some road safety campaigners only yesterday; I am meeting some more this afternoon. They are really emotional meetings because they are parents who have lost children in road collisions. We talked about a number of things, but one of the things that they were keen to impress on me was that a lot of the discourse around road safety is often about boy racers, young men, and drink and drugs. They are obviously a significant part of the road collisions that happen in this country, but there are also lots of other road users—pedestrians and passengers—who sadly suffer fatal incidents or are seriously injured. We need a number of mechanisms to look at the issue in the round.

The Minister for future of roads, Lillian Greenwood, and I met a number of stakeholders just a few weeks ago. We have started the process to put in place the first road safety strategy in this country for over a decade. We are looking at it carefully, and taking evidence from other countries where they have vision zero, as well as cities in this country, to see what has worked.

We want to adopt a whole-system approach because this cannot just be a Department for Transport-owned policy. It needs to be across Government, whether it be in education or indeed the criminal justice system, to look at the most effective measures. We will prioritise those that are the most effective. One death on our roads is too many. We treat road safety as if it is somehow a natural accident, but if the number of people being killed or seriously injured on our roads was happening in any other way, we would be treating it as a pandemic. We have normalised it for too long.

Q50 **Dr Arthur:** Demand for action is always going to exceed budget. I think you are right to focus on the fact that these accidents are always avoidable. It is just a matter of technology and changes. Thank you for mentioning the safe system approach.

Recently we had a fatal accident inquiry in Edinburgh that focused not on a younger driver but on an older driver. The conclusion was that the death at that point was avoidable. If you don't mind, I will read out one sentence: The driver "was permitted to keep driving as a result of a serious failure in the present system, which allows drivers with dementia to self-certify fitness to drive." Obviously, that is really concerning. I am interested to know if you are aware of that case from your officers and if you are able to act on it.

Louise Haigh: The sheriff principal from that inquiry has written to me and made a recommendation. The DVLA is leading on the response. Obviously, there is a requirement when people's medical condition seriously alters to notify the DVLA, but the DVLA is considering how to



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respond to that inquiry and will be providing advice to me by 11 December. I will make sure that I update you and the Committee more widely when we have received that advice.

Q51 **Dr Arthur:** More widely, finally, do you plan to set up a road safety investigation branch?

Louise Haigh: That is one of the measures that is being considered as part of the road safety strategy.

Q52 **Rebecca Smith:** Secretary of State, the Department's 2024 annual report states that there have been "challenging" workforce capacity pressures and staff turnover has been "significantly higher" than 10 years ago. How do you plan to address those issues facing your Department?

Dame Bernadette Kelly: I think, in fairness, that is one for me and Jo in the first instance. Obviously, the annual report would have been referring to the year ending April this year. It is fair to say that during that year we had seen a number of challenges, which I think is probably what that was referring to. We were experiencing quite high staff turnover at that point, higher than we have seen historically. We had some industrial relations challenges right across the civil service, linked to pay, in that particular year, which Members may recall. There was negative sentiment among our staff on some issues. The cost of living was obviously a huge pressure for our people, as it was for everybody. We were dealing with some headcount reductions and other challenges.

It is fair to say that the situation has improved in a number of areas since then. Our turnover has declined from where it was. It is not at that high level any more. On the pay situation, obviously we have had a more favourable pay settlement across the civil service—5% this year. That has been very helpful, both in resolving industrial action and in making our staff feel more positive about their work and jobs, so I think things have moved on.

When I talk about the Department, I tend to talk about the core department. Our agencies tend to face specific pressures—in particular, the DVSA in relation to driving examiner recruitment. That is obviously a very important issue in terms of driving examinations and how quickly they can be provided. In the core department, I feel we have moved on quite significantly.

There are always challenges; it is a constant thing. It is my job, and Jo's, to fix them and ensure that we match our people and our capability to the things that the Secretary of State and Government want us to deliver. I don't think that is anything unusual. You would expect it to be the case. At the moment we are doing a review of our workforce to make sure that we are now fully aligned to the new priorities of this Government, and that we have the skills and the capability that we need. It is not just about how many people we have; it is about whether we



have people with the right sorts of skills to deliver this Government's agenda.

I would not want to overstate the challenges then. There were some significant points that we were dealing with. I feel that we are in a more positive place now, but that is just part of the normal challenge of running a large, complex Government Department and ensuring that we are able to deliver for Ministers and the public.

Jo Shanmugalingam: We are really seeing the benefit now of our new offices in Birmingham and Leeds. Our Department has always had small offices in Swansea and Hastings but has been very London-centred. We now have about a third of the Department working outside London. That gives people opportunities to develop their careers living in places where you don't have to be able to commute to London. It gives us resilience in being able to access different labour markets. Most importantly, it gives different perspectives. We were delighted that the Secretary of State was working from the Leeds office during the summer.

Louise Haigh: Yes, it was very nice.

Jo Shanmugalingam: It is really helping.

Chair: We are not out of time. Laurence wants to come back on an earlier question.

Q53 **Laurence Turner:** It was in relation to the question Olly asked about fuel duty and the relative cost of public and private transport. We had a discussion about this year's decisions, but the long-term trend has been for that relative gap to widen as a result of central Government decisions. With reference to the objectives of achieving modal shift from private to public transport, and the environmental objectives, do you think that is sustainable in the long term?

Louise Haigh: First and foremost, all decisions on taxation are obviously a matter for the Treasury. As I said earlier, given the current cost of living pressures, I think it was the right one. The vast majority of buses obviously rely on diesel at the moment, so it would have been a significant pressure on our bus services as well.

As we look to the future, the absolute priority is ensuring that we have a public transport system that is world-class for every corner of the country. My ambition for the rest of England—because we are devolved—is not dimmed. We have a significant settlement in this Budget, and I want to see the kind of public transport system that London enjoys enjoyed everywhere. I am sorry to keep harping on about Dijon, but it is a very small city—only about the size of Chester—and it has a remarkably integrated transport system. It has built tram lines in less than a decade. That is my level of ambition for every corner of England. I think we have a Government with the ambition to achieve that. We have the reform agenda in place in the Department for Transport and a Chancellor who is backing us to deliver it.



Laurence Turner: Thank you. I look forward to seeing a Dijon level of public transport in Birmingham.

Louise Haigh: Absolutely, Dijon-style transport.

Q54 **Olly Glover:** I am very pleased to note your enthusiasm for trams. Bordeaux has a lovely system—50 miles of it that grew up in just 15 or 20 years. To pick up on what you said about the Treasury, Secretary of State, given that it has such dominant control over so many aspects of policy, including taxation, do you think it is possible to achieve your objectives with the current level of Treasury control?

Louise Haigh: The Treasury certainly does not control the Department's policies, but we are absolutely aligned in our ambition and in our strategic priorities. The manifesto that we just stood on was obviously agreed fully across Government. Because the Cabinet worked together as a team for so long in opposition, we are an extraordinarily aligned team, and we work very well and collectively together. That is why I was delighted that the Chancellor backed our priorities so ambitiously with her Budget settlement this year.

Q55 **Baggy Shanker:** I was reading something at the weekend about unfair prosecutions over fare evasion. Can you tell us what we are doing about that?

Louise Haigh: I am pleased today to announce that the Office of Rail and Road is going to be conducting a review into that. There were more stories over the weekend, and I think there are more in the press this morning, about people who have made genuine mistakes with their tickets. Frankly, the fares and ticketing system is so grossly complex and over-complicated that it is feeding into our wider reforms about fares and ticketing.

There was a particular example a few weeks ago of a young man who had not realised that his young person's railcard was not viable before 10 am, which I didn't know, and I'm the Secretary of State. I think he had paid £1.50 less for his ticket than he should have, and he ended up being prosecuted. I think we can all agree that it should have elicited a slightly more generous response.

Revenue protection officers do a really hard job in very difficult circumstances. I am sure we have all been on trains that were rowdy. Fare evasion is, unfortunately, commonplace. We are not backing away from tackling genuine fare evasion and the tiny minority of passengers who get aggressive or even violent with revenue protection officers. What we need to do is look across the piece and make sure that terms and conditions are simple enough, properly understood and properly communicated so that we avoid people making genuine mistakes and we have a system in place that allows people to pay the difference if they have made a genuine mistake. That is what the Office of Rail and Road is launching a review into today, to make sure that we have the correct policies and communications in place.



Q56 Dr Arthur: Olly's question about funding was really good. So much of what we want to do is really expensive but is absolutely fundamental to getting our economy back on track. It is kind of pay to win, if you like. None the less, funding is a constraint. If funding was no option—in that world—how much of a constraint is the planning process or the level of bureaucracy we have to get through to deliver a project? Even a simple thing like a bus lane can take a couple of years to go through the approval process. Forget about funding; how much of a constraint is the planning process for what we want to do?

Louise Haigh: For me, it is the planning process and some of the bureaucracy that we have to go through around consents. We are looking at that through the English devolution Bill, where I can give up some of my operational meddling over requests from local authorities to make things much more streamlined. As I have said previously, it cannot be up to me or, with the greatest of respect, officials in Whitehall, to decide what speed limits or road safety measures should be in place on local roads. Clearly local leaders and locally elected politicians, in consultation with their communities, know that far better than we do. Removing some of that bureaucracy is really important.

I do not think we can underestimate how important these planning reforms will be. They will vastly reduce cost and the time it takes to make infrastructure improvements of all scales. That is why it has been such a priority for the Deputy Prime Minister to take that forward.

Q57 Chair: On that twin issue of funding and planning, to what extent are you working with Cabinet colleagues on ways of funding new infrastructure that other countries use as a matter of course, such as land value capture in growth areas?

Louise Haigh: There are a number of opportunities to explore land value capture, both across Cabinet and at a local level. Our mayoral colleagues are really keen on exploring opportunities for it. We have been in discussions with Greater Manchester and Liverpool about opportunities there. There are future large-scale station infrastructure and mass transit opportunities through land value capture in places like Cambridge, for example, in expansion programmes there. We are working with Treasury colleagues very closely on potential private financing options for Euston or other rail infrastructure across the country.

Q58 Chair: Thank you very much for answering all our questions. I am going to take the Chair's prerogative because I have one overarching question. We have covered the work that you are doing pretty extensively, particularly short-term objectives and things you want to see happen in the next year or two to get things moving. In five years' time, at the end of this Parliament, what do you see as being different from now in the UK transport system?



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Louise Haigh: I want to see more people on the bus; railways running on time; 5 million potholes filled in; and everyone with the ability to create Dijon-style transport networks.

Chair: Thank you so much for coming and answering our questions, and thank you to the Committee members.