

# Transport Committee

Oral evidence: [Rail investment pipelines: ending boom and bust](#), HC 575

Wednesday 11 June 2025

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[Watch the meeting](#)

Members present: Ruth Cadbury (Chair); Steff Aquarone; Catherine Atkinson; Mrs Elsie Blundell; Olly Glover; Alex Mayer; Baggy Shanker; Laurence Turner.

Questions 85–134

## Witnesses

I: Sambit Banerjee, Joint Chief Executive Officer, Siemens Mobility Ltd; and Peter Broadley, Commercial Director, Alstom UK and Ireland.

Written evidence from witnesses:

- [Siemens Mobility Ltd](#)
- [Alstom UK and Ireland](#)

## Examination of witnesses

Witnesses: Sambit Banerjee and Peter Broadley.

Q85 **Chair:** Welcome to this morning's evidence session. It is the second session in our inquiry into rail investment pipelines. We are going to hear from two panels today. During our first panel we will hear from manufacturers of rolling stock and other critical rail systems about how Government policy can give better confidence to the sector to invest in UK-based innovation, jobs and skills.

During our second panel we will hear about different financing models for the procurement of rolling stock which, due to its significant capital cost, does not currently fall under the Government's plans for nationalisation, and then what the opportunities are for private investment.

Could I ask our first panel of witnesses to introduce themselves?

**Peter Broadley:** My name is Peter Broadley. I am the commercial director for Alstom UK and Ireland. I am also the MD for the UK and Ireland services business.

**Sambit Banerjee:** I am Sambit Banerjee. I am the joint CEO for Siemens Mobility for the UK and Ireland.

Q86 **Chair:** Thank you. We will start with looking at the barriers to establishing stable rolling stock pipelines. Could each of you outline in lay person's terms how the rolling stock procurement process works and who the main actors are?

**Peter Broadley:** How rolling stock procurement works is, generally, that you would look at the market from several years out in terms of the age of trains, the way they operate and whether they are coming towards the end of their life, or you look at the market and see that additional capacity is needed due to passenger and customer demand. Over a period there will be a consultation between, normally, the Department for Transport or the buying authorities at one of the train operators, just in terms of market sounding. You will get some consultation, and we will hopefully work together to tailor what the requirement is.

There will then be a pre-qualification round, where you will have to fill in a questionnaire about certain areas and make sure that you comply with certain things. It gives you an idea of what the product is that is going to be procured. There are certain pass/fail criteria in that. As long as you get through that, the official ITT—invitation to tender—comes out, which is a formal bidding process. You will be given a certain duration of time to bid. A bid will then be submitted. There will then be rounds of negotiations. There are normally at least two. In round one they will assess your first bid, and then they will come back. They may change the criteria slightly. Then you are put into round two. Normally, thereafter, you might go to a best and final offer as a kind of third stage, or it stays at stage two, and then you negotiate the contract and the terms and conditions. Ultimately, that gets signed.



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At the same time, in the background, there is normally a competition for finance as well. I assume that you will talk to the next witnesses after us about that. The joint package then leads to a contract. It is quite a long process from start to finish.

Q87 **Chair:** Thank you; that is quite clear.

**Sambit Banerjee:** I will add to what Peter has just mentioned. In the background, as manufacturers looking at the opportunity, we start working on the platforms that we want to come in to that specific opportunity. Platform development takes around three, four or five years, depending on how complex it is. We, as manufacturers, start investing in research and development of that platform at least between three and five years ahead so that, when we are bidding, those platforms are ready to go to market, as we say.

We put a lot of money into this process. To give you an example, if you look at something like a Desiro City train—such as Thameslink—we had an investment of about £40 million to £50 million to develop that platform between 2009 and 2013.

Q88 **Baggy Shanker:** What is the present outlook for rolling stock manufacturing for industry? What does it look like at the moment?

**Sambit Banerjee:** We are working on a few opportunities in the public domain in the ITTs. At the moment, at least from Siemens's side, we are involved in three opportunities: South Eastern, TransPennine and Northern Trains. This is obviously after quite a dry spell, I would say, slightly preceding covid, into covid and later on. Obviously, at the moment, what we as the industry want is certainty. We want certainty of the pipeline and certainty of the projects coming in on time and finishing on time.

We really want a five-year, fully funded pipeline so that we can all fight for it competitively. Both of us here have factories in the UK. It is extraordinarily important that we know this pipeline so that we can manage our resources in time.

**Peter Broadley:** As you can imagine, Baggy, we are competing for the same opportunities that Sambit is, so the near-term pipeline is fairly clear. There is not much I can add to what Sambit has said about looking at the longer term and the pipeline and seeing where we are. It is for the same reason in terms of investment. If you can see out for a period of time, you can invest in your platforms and your products.

Where Alstom slightly differ from Siemens is that we also look at the pipeline for modernisations and upgrades of existing fleets. Not every fleet needs replacing. Some of them are at half-life. If you look at the Pendolinos on the West Coast Main Line and what Avanti did with the investment in that product, it is 20 years old but looks brand-new. We look not only at the new train pipeline but at the upgrade modernisation pipeline because sometimes that can help you balance your workload a little when the rolling stock orders are at a lower ebb.



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**Sambit Banerjee:** Just to clarify, we also do modifications and upgrades of our existing fleets that we maintain from Glasgow to Southampton. That is a very important bridge in between the peaks and troughs of the procurement.

Q89 **Baggy Shanker:** Recently we have seen some cliff edges narrowly avoided, no more so than in Derby in the last year or 18 months. Our involvement in that is well documented. Do you see any such cliff edges in sight in the near future?

**Peter Broadley:** I think probably in the near future there is a reasonable pipeline. Ideally, we would like to win one of the opportunities we are going for. If we won none of them, clearly that leaves you in a difficult position. You know that in Derby the CrossCountry modernisation contract is going through, which allows us to redeploy staff on to existing work. There are other opportunities like that in the pipeline which we could move a little bit, but, ultimately, if we were to win none of the three that are coming up, it is a tough environment. There is no question about that.

**Sambit Banerjee:** At Siemens we have invested £340 million in the UK in the last five years. We set up the manufacturing facility for £240 million in Goole and invested £100 million in Chippenham in our railway infrastructure business, setting up a state-of-the-art, modern research and development and manufacturing unit.

At present we are manufacturing the Piccadilly line trains in Goole, which will finish, as per the current schedule, around May 2027. After that, if we do not win any of those projects that we are competitively bidding for, or the Bakerloo Line extension is not done, then there is a stiff drop there.

In Goole we have created employment for 700 and employment for 1,700 in the supply chain. It is not only about Siemens; it is also the ecosystem that we are working with. It is also about people in Goole, Doncaster, Sheffield and Scunthorpe. Our employees come from that catchment area, so we are very mindful that it may affect a lot of people in the bigger catchment area of Goole as well.

Q90 **Olly Glover:** The pandemic has changed a lot about the railway in the UK, and we are still seeing the effects of that. How do you feel that rolling stock procurement has changed since the advent of the pandemic? Can you characterise the difference between how well or otherwise you think it was working before 2020 compared to today?

**Peter Broadley:** In terms of rolling stock procurement post pandemic, there has barely been any. I think that is probably clearly the biggest step change. It is a fact that other than the 10 trains for the Elizabeth line which TfL procured, which are being built in Derby, there has been very limited rolling stock procurement. Pre-pandemic there was always that. The railways were growing. The revenue was growing. Passengers who were travelling were still on the increase. Therefore, there was almost that demand and that pull for new rolling stock. Post pandemic that pull has been a hell of a lot less.



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Now, we are just about reaching the point—after speaking to a lot of the train operators that we take care of—where we know that demand is coming back. We know that there are more people travelling, particularly at the weekends, than there ever were pre-pandemic. The demand for travel, and rail travel, is almost back to those levels. I can almost see an inflection point now where the demand for new rolling stock, new trains and additional capacity will be there. Post pandemic there was quite a bit of capacity taken out of the industry for obvious reasons—to make the industry more cost-effective. I think that capacity will have to start to go back in again.

There was a fundamental change post pandemic, but I think it is starting to feel a bit more like a pre-pandemic world again now in terms of passenger demand and therefore rolling stock demand.

**Sambit Banerjee:** I fully agree with what Peter mentioned. Additionally, I would like to mention what has happened. Because of this “dry period”, if I can put it in that way, there is a lot of very old stock. To upgrade it is much more expensive than bringing in new trains.

Q91 **Chair:** Much more expensive than—

**Sambit Banerjee:** It is more expensive maintaining and upgrading the older trains. To give you an example, the Bakerloo line trains were manufactured in 1972. TfL is incurring a lot of cost to upgrade them to keep them running. That stock needs to be replaced, as well as many others in all other parts of the business.

We now see an immediate necessity to push ahead through the new rolling stock procurement. Our request to DFT has always been, “Let’s stick to the timelines.” As I say, we are putting in money before the contract is signed. When Peter goes to Paris and I go to Munich, we are fighting with emerging economies and with the United States, who are also asking for research and development money. Our shareholders have been very kind to us and have given £340 million, but there have to be projects coming to fruition. We want to win competitively. We do not want to have a sense of entitlement in any shape or form, but we are not getting that opportunity. That is something, post pandemic, where we really need to move into seventh gear.

**Olly Glover:** That perfectly leads us on to the rolling stock pipeline, but cynics would suggest that asking the Department for Transport to stick to timelines is like praying for miracles, but I couldn’t possibly comment, of course.

**Chair:** Let us move on to rolling stock pipelines.

Q92 **Mrs Blundell:** The Government have promised to develop a rolling stock strategy as part of the creation of GBR. What engagement are you currently having with the Government on that?

**Sambit Banerjee:** We are engaged as manufacturers in many consultative meetings on GBR. We have also submitted our paper on the



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future of rolling stock and the strategy to GBR, to DFT, to Network Rail and to all parties. Yes, we have been consulted through this process.

Q93 **Mrs Blundell:** Is that the same for you, Mr Broadley?

**Peter Broadley:** Very much so, yes.

Q94 **Mrs Blundell:** I have a quick follow-up question. Have you thought much about the needs of combined authorities within that in terms of organisations such as Transport for Greater Manchester or Transport for West Midlands? Do you think they are being brought into the conversation at all when it comes to rolling stock strategy?

**Peter Broadley:** I am sure they are because they will become an increasingly important part of the industry. This week there was a consultation on the new operating and maintenance contract for Manchester Metro Link and potential extensions to it, which is really interesting to us. If you take last week's Chancellor's announcement about the £15 billion into regional transport networks, that is quite an important step change. It is what Sambit and I have been talking about in terms of that long-term plan. That is the first time in a long time that somebody has said, "We're going to spend this much money on this kind of product over this period of time."

If you are talking about investments and where Alstom likes to put its money, you can go and say, "Look at this. It is funded; it is a pipeline. This is the kind of product that we can invest in." Potentially you then invest, and you get the product built in Derby and so on. That kind of thing is really reassuring. I think the metro mayors and devolution will become increasingly important customers for us.

**Sambit Banerjee:** It is extremely important that all parties are around the table when transport infrastructure is discussed. When investment is made for the Bakerloo line in London, we are actually creating 250 jobs and 40 apprenticeships in Goole. We have to move away from the project base to a bigger, geographic-based approach, where the mayors, the local authorities and the local bodies come in, and we come in as manufacturers. There is a bigger play in the ecosystem. It is not only about trains. I have always said that we are not in the train business; we are in the people business.

Q95 **Mrs Blundell:** Taking it back to the train business and the rolling stock strategy, obviously that will cover a variety of things from fleet maintenance to net zero. I would also hope it covers accessibility, and this is one of the questions I want to ask. I am a new mum. I often travel between my constituency and Leeds, and then from Leeds down to London. A lot of the time, even on the new units, there is often only a pram or wheelchair space in first class. Obviously, that creates a divide. I personally do not think that should be the case. I wondered if you had any thoughts or comments on that. It seems like we should not really be waiting for this strategy. As you were both saying, these orders are made years and years in advance.



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**Sambit Banerjee:** It is a very valid point, thank you. We are equally concerned about level boarding or level access. We have a two-tier strategy here. One is that for all the new trains and the bidding that we do we will provide level access. The new trains are coming. Level boarding and level access is there. It is a given for Siemens Mobility.

The bigger challenge is the existing fleet. We have worked on an R&D project whereby we have now brought in a product that can be a solution to some of the existing fleet on level access spaces. We had a very good discussion with the DfT. Concerns were raised and we have taken it away. We have worked on it. We think on both sides—the existing fleet as well as on the new fleet—we have a very good answer to accessibility.

Q96 **Mrs Blundell:** It is not just on level access. There is the point about space as well and having a space on the units for prams and wheelchairs to go.

**Sambit Banerjee:** Yes, sure.

Q97 **Mrs Blundell:** I do not know if, Peter, you have any thoughts on that.

**Peter Broadley:** Yes, sure, but what is interesting is that we will also provide a train which is specified. Clearly, we can provide anything that the market requires in terms of product, accessibility or whatever. It is really about making sure that we have the products that we can tailor to the needs of the market. From our perspective there is nothing you can't have. So, not dissimilar to Siemens, we do a lot of research and work into making trains more accessible for all. The solutions are there and we are happy to provide them.

**Chair:** Catherine, did you want to come in on that particular point?

Q98 **Catherine Atkinson:** I have a follow-up. You talked about engaging with GBR. You talked about engaging with the Department for Transport and Network Rail. Considering, as you have set out, the sheer implications over so many different areas—jobs, skills and the possibility for export—who else in government do you liaise with? Do you also engage well with Business and Trade and with the Treasury? What does that look like?

**Peter Broadley:** All of the above, Catherine, it is fair to say. Obviously, you know, being a Derby-based MP, the importance that the Derby factory plays in the Derby community, both from an economic perspective and for jobs and the work we do out in the community. It is really important that we engage with a wide range of people to make sure that we create the best opportunities for us as a site and a UK business in general.

UK Export Finance are clearly people we are dealing with at the moment in looking to potentially develop export opportunities for the factor in Derby. It has been named as the global service centre for monorails. That is one thing we are working on quite actively.

We are clearly talking to the Department for Trade, as well as Treasury officials. It is a broad range really, and, because we are such a large



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organisation across the UK and probably touch so many areas, those doors are always open to us. I think it is really important that we engage with as broad a network of people as we can. As Sambit said, it is not just about travel. It is about all the economic benefits that we bring as well. Generally, people are pretty interested in what we have to say.

**Sambit Banerjee:** We do engage with the Department for Business and Trade. We have a 50:50 joint venture in Northampton. We call it the National Training Academy for Rail, where we train everybody in the industry, including colleagues from Alstom, Hitachi, CAF and Stadler.

We work with the Department for Work and Pensions and the Department for Education and Skills. We have partnerships with the University of Birmingham and University of Hull. These are very strong partnerships. First, we are looking at the talent pool and inviting them into Siemens. Secondly, we are doing research and development work there as well. If you look at what we are doing on hydrogen, we have done a lot of work with the University of Birmingham. This helps both sides. We give live projects to the universities, which they can develop and then come to Goole and test on our test bed. This is wonderful co-operation together.

Q99 **Catherine Atkinson:** It is great to hear you describe it as doors being opened with this Government. Are there any obstacles in relation to having to deal with multiple different Departments? How well joined up do you think that is?

**Peter Broadley:** I do not think there are obstacles in dealing with the Departments. As I said, Catherine, because of the size of our organisation the door is always open. Naturally, co-ordination is difficult across such a large number of Departments. Obviously, DBAT rail clearly talk to the DFT, so I think they are joined up to a certain extent. It is just really about making sure we are all going in the same direction. We give them the same message irrespective of who we are talking to. Therefore, organisations are often not 100% aligned, but I think in general the alignment is pretty strong.

Q100 **Chair:** Can I go back to where Elsie's question was coming from and extend it a bit? As MPs, we get contacted by both our constituents and also different NGOs, interest groups and so on. On rail, there are people with disabilities and parents with children, there is not enough space and not enough level boarding. For cyclists, there isn't anywhere to take a bike, or what is there is badly designed. The rolling stock on GWR was a good example, if I remember rightly. There are conflicting demands, particularly on space for single adults on their own with no luggage and no physical impairments or small children with them versus a range of different people and different travellers.

Quite rightly—and I hope we have helped with this—there is an increasing perspective in terms of people with disabilities travelling and their needs. With the leisure market, more people are travelling with children. With the focus on active travel, more people are travelling with bikes. Then you have the need to cram more people into trains. Those demands



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conflict. We heard one particular example where an initial spec requirement that the rolling stock be level boarding is now going to be changed. In order to get more people in the train, the steps have to be higher because the train is a bit wider.

Peter, as do all contractors, you go by the requisites of your clients. How do you balance those conflicting needs? Is it a two-way conversation, or does it end up, "Well, this is what the client wants and therefore we'll do it"?

**Peter Broadley:** There is always a market consultation before any product starts. You asked me how trains are purchased, and that is one of the areas where you can influence early on and try to understand what the needs of the clients are. Level boarding is a really good example of where it was fairly clear fairly early on that that was what the South Eastern tender was looking for.

Sometimes what is interesting is how the bids are assessed. While you can look at, "Yes, that is the requirement," there will be weightings in the assessment that might push you towards a solution which might have unintended consequences of the assessment criteria. Sometimes you will come up with, "Well, that's what they want, and that's what the spec says," but when you look at the scoring that is not the best way potentially to get a high score. Obviously, you do not see the scoring until the tender comes out. You can put clarification questions in, but it does not always change too much once you are in the process.

For us, yes, you get the opportunity to consult up front, but when you are putting the bid in and you have to have the highest score to win—that is how it is done—sometimes getting the highest score does not necessarily tally exactly with what you are being asked, or you put an emphasis on something where you get a better score rather than necessarily what the perfect outcome would be.

**Chair:** I think MPs, and probably even Ministers as well, would be very concerned if we are going backwards on level boarding and probably backwards on active travel as well, but I will leave that point there. We can explore that in other ways. Thank you.

Q101 **Olly Glover:** You were pretty clear earlier on what you said you thought is needed from the Department for Transport and Government to support rolling stock manufacturing here. It was that clarity about the pipeline and what is coming up. How coherent do you feel the overall direction is in sticking to the number of trains put in a tender? We have just been talking about some important questions of specification. How effectively do you feel that consistency is given to you on those things?

**Sambit Banerjee:** This is an area that we all need to work on and improve. In all the three tenders that Peter and I mentioned, we have seen the criteria, specifications and number of units changing. It is extraordinarily difficult for us as manufacturers to plan anything if it is a moving target. All that we are looking at is a platform that we can work on and bring competitively.



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Just to add to what Peter said in the previous conversation, we want to take ownership of the 35-year life cycle cost. That is only possible once we have a steady pipeline and the platform work is required. We then commit ourselves, not only with the train and the infrastructure but with the maintenance for 35 or 45 years.

**Peter Broadley:** My view is not dissimilar to Sambit's. The other thing that you notice more and more is that the terms and conditions we are required to sign up to are becoming increasingly onerous. The penalty regimes, if you do not hit them, are really tough. It is unintended consequences again in terms of, "Well, if you're asking me for that, you do realise that's going to make something more expensive." It is going back to, "What is the benefit to the travelling public of what you are asking for?" Sometimes the benefit is not that great but the cost to us might be quite significant. Sometimes, with the way we price stuff, you could get better value if you were not constantly thinking, "What's the penalty for that? What am I being asked to do there?" That can make things tougher in the market.

If you have a 35-year contract with really onerous penalties, you will manage it accordingly. Sometimes we need to take a little step back and look at where the contracting structure is going, just to make sure that we are not creating unnecessary cost in the industry which does not necessarily benefit the final end user.

**Sambit Banerjee:** If I may add, we listened to the Government in 2016. As a part of the target of decarbonisation for 2050, both Alstom and Siemens have stopped manufacturing diesel trains. Here are two of the biggest manufacturing plants in the UK not producing diesel trains, and we see an ITT coming out with diesel tri-mode. This is the bit where—

Q102 **Olly Glover:** I was just about to ask you about that, but carry on.

**Sambit Banerjee:** That is where we are slightly confused. We want to work with the Government on this decarbonisation agenda. It takes time, up to 2030, 2040 and 2050. It is a journey, but when we closed our facilities for diesel, all of us incurred huge costs. The cost of closing down a unit is incredibly high. Now, diesel trains are being asked for once again, so we are slightly confused, yes.

Q103 **Olly Glover:** I have a quick supplementary on that because I was just about to ask you about it. It seems to me, from reading about railways in Europe, that the UK is more fixated about bi-mode and tri-mode and, who knows, quad-mode or five-mode, but what are the implications for you of what is now arguably overcomplicated rolling stock with, potentially, overhead, battery and diesel? Is there clarity as to what train operators and the Government want from future rolling stock?

**Peter Broadley:** It is interesting, because it depends, a bit, on your bi-mode. Alstom has gone down the battery electric-electric route, and I think that market will open up more as battery ranges get longer. At the minute, you are down to about 70 miles, so you need to be on electric—and it is the last bit. As you know from your car, that technology is



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advancing rapidly, in terms of battery range. We see battery EMU as a definite positive. We looked at the hydrogen fuel cell—I guess not dissimilarly from the way Siemens has. That is probably one for the future, because the range is clearly a lot longer.

In both those areas, you need to put infrastructure in. If you go from York to Scarborough on the TransPennine, you will have to recharge the train at the end and then come back, which requires a certain amount of investment in the infrastructure. If you want to go with hydrogen, you need fuelling; none of that exists today within the market. I do not think that we have any problem with bi-mode, as long as it is not a diesel engine. I think tri-mode becomes complex—a really complicated product that you could probably not buy anywhere else in the world. From our perspective, that feels like too bespoke a solution.

**Q104 Olly Glover:** Isn't it fortunate that LNER has not ordered a really small sub-fleet of 10 tri-mode trains that will be incompatible with its existing one?

**Sambit Banerjee:** I fully agree with Peter. Our fleet strategy is discontinuous electrification with battery bi-mode trains for the next 10 years. We think that that is our answer, with the track and train concept. We have done extensive work across seven networks, and given our written report to the DFT. We think that with discontinuous electrification and battery bi-mode trains we can save £3.5 billion of taxpayers' money over 35 years. That was given to Network Rail, which sent it to its experts, Jacobs, which gave it the thumbs up. It was also submitted to Siemens headquarters for a classic audit. It audited everything and said "That's the approach."

So our approach is very similar to that of Alstom: discontinuous electrification and battery bi-mode trains.

**Chair:** Catherine, did you want to slip in on spec or come back later on wi-fi?

**Q105 Catherine Atkinson:** Can I just ask something about electrification? With the future being, as you said, discontinuous electrification, what further infrastructure is needed to allow it, and how are those conversations going? Sometimes it seems that those responsible for infrastructure will say that there is a need for a rolling stock strategy, and those involved with rolling stock say there is a need for an infrastructure solution. How are those two working together and what, if any, infrastructure are you pushing for?

**Sambit Banerjee:** We are working very closely with Network Rail. For the bits that we are offering, we have done extensive and detailed work on infrastructure and the minimum that needs to be done to get this concept of discontinuous electrification with battery bi-mode trains. We, on the rail infrastructure side, have created what we call remote charging converters; we have done that ourselves. Now, as a pilot project, Porterbrook is buying it from us, to install it at the Long Marston facility. We are doing this as a partnership because we need to test the trains.



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We need to test whether the electricity from the hub to the railside to the train works seamlessly. Porterbrook's testing bed and facility will offer that, but it is being done with the remote charging converters from our rail infrastructure business.

It is all made in Britain, in Chippenham, and we are very proud of it. We have looked at it end to end, from the beginning to the end of the 35-year life cycle, where we are bringing in the circular economy; we will take care that trains are not scrapped or sent somewhere else, and will reuse aluminium, steel and wires in future production. There is a whole sustainability model that Siemens has embarked on, and we are very confident about that.

**Peter Broadley:** I like the point that there is always an argument about what comes first: the infrastructure strategy or the rolling stock strategy. It would be lovely if they were to be combined into a single strategy for the industry. It would probably be the perfect outcome.

Not dissimilarly from what Sambit was saying, we clearly also work with Network Rail. We provide not dissimilar products to the market. For us, electric battery and discontinuous electrification is the way forward. As a resident of the east midlands, it always frustrates me that the wires seem to end at Leicester at the minute and don't seem to come any further forward.

**Catherine Atkinson:** Absolutely.

**Peter Broadley:** From a main line perspective, extending electrification out further is clearly the right solution. We had a good look at the whole UK map, in terms of what is right to be electrified, where battery can go, and where would suit hydrogen. You look at the infrastructure and network, and there are clearly preferences depending on value for money, the economic benefits and the costs, and all that kind of thing. For us, battery EMU is definitely the way forward. We are already delivering those into Dublin, on to the DART network, which is partially electrified. It is quite a good showcase for how it can work. I think we are pretty closely aligned on that one.

**Chair:** Thank you very much. I am conscious of the time. Olly, did you want to come in quickly, on electrification?

Q106 **Olly Glover:** Yes, briefly. It is interesting that you mentioned Ireland, because we went on a Select Committee trip there. They were very clear that they see the role of battery mostly as temporary, until they can get the capital for overhead wires. I think you are right in what you are saying about main lines. Do you think that there is clarity of policy from the Government or industry as to the criteria for what should be fully electrified, and what should be electrified discontinuously with batteries? Is that clarity there for you?

**Sambit Banerjee:** From our side, the answer is yes. From the rail infrastructure side, we have been working very closely with Network Rail on the routes that it is more beneficial to electrify. There are terrains and



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routes where it would be exorbitantly expensive to electrify. That is where we come in with the discontinuous electrification solution.

Q107 **Olly Glover:** Do you have anything to add?

**Peter Broadley:** Probably not, no. That is slightly outside my area of expertise.

Q108 **Olly Glover:** Does discontinuous with batteries work for freight?

**Sambit Banerjee:** We are working on the battery bi-mode for freight as well, in Germany, at the moment. We do not have a freight product loco in the UK, but our Vectron is globally very successful, so hopefully we can import that technology and make it locally, in Goole, one day.

Q109 **Olly Glover:** Yes, hopefully, although I am sure you would accept that in Germany they are carrying on with electrifying a lot of their main lines as well, aren't they?

**Sambit Banerjee:** Yes, they are.

**Peter Broadley:** One point that is interesting on that is how you clean the diesel product. Moving away from electrification for a second, a major issue at Birmingham New Street, for example, is the emissions from idling diesels. It is not a particularly pleasant environment. An area that we are interested in is first-mile, last-mile batteries. You take, maybe, one power pack off a train and put a battery on, so that when you are entering Birmingham—a mile or two miles out—you switch your engines off and go in and come out on the battery. In stations that really suffer from diesel emissions the environment can be pretty unpleasant.

Sometimes it is about getting back to the fact that, yes, we understand the electrification requirement, and a lot about where we could green the industry; but where is that funded from? The business case is not always obvious. How do you write a business case for not having fumes in Birmingham New Street?

**Chair:** Yes, we are covering these issues in other sessions, as well, but thank you for your perspective on it. Laurence, do you want to come in with a quick one?

Q110 **Laurence Turner:** On freight, there is a very large fleet of Class 66s that are coming towards the end of their life. You mentioned, Sambit, that Siemens has a product, albeit that it is not manufactured in the UK. Are you looking to future potential freight orders in the UK to help to fill some of those order book gaps? How practicable would it be to construct a new freight fleet at your existing facilities?

**Peter Broadley:** I think freight is an interesting one, because it is a relatively niche market. Alstom provides freight locomotives across Europe and elsewhere in the world. There is no Alstom product currently designed to run in the UK, so we do not tend to bid for freight locomotive tenders. You mentioned the 66s, and there are hundreds. There must be at least 300 or 400-plus of those. If they were all to be replaced at one



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time, you would create an opportunity that might allow you to invest in that particular platform, but freight companies tend to buy reasonably piecemeal at the minute. That probably does not create the volume where we would design a UK freight product.

**Sambit Banerjee:** From our side, we have listened to the market, and you are absolutely right. There is a requirement emerging for freight locos. We do not have a product right now, but we are working on it, and are taking a lot of feedback from the market. Let us see if we can bring that product in, and in what time. It is kind of work in progress in R&D at the moment.

**Laurence Turner:** Thank you.

Q111 **Alex Mayer:** Passengers quite often say to me that the wi-fi on trains is not fantastic. I am sure that you have experienced that, too. I am sure that you build what you are told to build, as with everything else, but are the specifications and expectations changing for wi-fi on trains?

**Peter Broadley:** Customer expectation is without doubt changing. Fifteen to 20 years ago you probably did not even think about wi-fi on the train. Now it is almost an essential. It is an expectation. You do not expect it to be discontinuous. A company called Nomad provides wi-fi systems for Alstom's trains. I guess that those systems are getting increasingly sophisticated and with cabling down the train you can upgrade your wi-fi relatively straightforwardly, but, once it is in, it is kind of in. It is quite an investment to upgrade it, then. A lot of passenger operators are now asking if we can upgrade the wi-fi or the internet backbone. It is definitely a market that is changing, and we find more and more that people want to invest in it. Of course, in some areas you are only as good as your 5G, 4G or 3G connection, but sometimes the difficulty is that you are in a moving position; but the wi-fi technology and the upgrades to the trains are getting more and more sophisticated. So, yes, the demand is there, and the development in the product is also there, now.

**Sambit Banerjee:** I have nothing more to add to what Peter said.

Q112 **Alex Mayer:** You have talked about the Government's development of the rolling stock strategy that you are being engaged on. Do you think that it needs to be accompanied by a more detailed document specifying the upcoming needs of customers, or do you think that it will be enough in and of itself, given the engagement you have had?

**Sambit Banerjee:** We are requesting from DFT a very clear 10-year strategy, of which five years are fully funded, so that we as manufacturers are on a level playing field, with a clear sight of the opportunities that are coming, and can mobilise our R&D and resources to that. We also request that every rolling fifth year be added to the five-year period. That is the stability we need.

Secondly, particularly in the infrastructure sector, we need funding not to be back-ended. We need an even spread of funding across CP7 and CP8,



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so that we can all retain employability and skills. We sometimes face the case where, because of the peaks and troughs, people are moving out. As the data point says, about 10,000 people leave the railway industry every year. I have spoken to some colleagues who have moved out from our depots and who have gone to jobs in the logistics area. These are highly skilled people in the rail sector. One of our problems is that we cannot just get someone through the door and ask them to maintain or manufacture a train.

**Chair:** We are coming on to workforce issues. I just want to complete this section. Laurence, did you have a supplementary on this question?

**Laurence Turner:** No, it has been covered.

**Chair:** Okay. Alex, anything else on 6?

Q113 **Alex Mayer:** I think you have covered timings, and money. What detail do you actually want in this pipeline?

**Peter Broadley:** I think the detail you want is quantity, timescales, and what the general performance of the product is going to be. There are certain things you want to know up front—speed and acceleration, and that kind of stuff—but I am not sure I would want someone to specify the interior environment now, because passenger and customer demands change. What passengers want today might not be what they want in five years' time. Personally, for me it is a route map—funded, as Sambit says—but don't overly specify at this stage. There are certain things, from a product development perspective, that you want to know now and certain things can probably wait a little bit, so you can see how the market changes to make sure you optimise what the customer gets.

**Chair:** Steff, you had a question.

Q114 **Steff Aquarone:** Thanks. German trains used all to look kind of the same, and so did French trains. Britain's railway system is famously so complicated and varied that it becomes a destination in its own right. Is there a benefit, aside from the passenger benefit, to greater standardisation, simplification and unification of train design, subject to things like interior spec? Is there a cost-benefit in stabilising what we are talking about?

**Peter Broadley:** Yes.

Q115 **Steff Aquarone:** What is a train, in other words? On that note of definitions—well, we will come on to that. That is my first question: is there a cost benefit?

**Peter Broadley:** The amount of money you spend on redesigning—it is really expensive. As to the basics of a train—the basic platform—it is like your Volkswagen Golf, isn't it? It is the same platform but they just change the bits. It is not dissimilar from a railway perspective. The more you can have a platform product and reduce the percentage of redesign with each one is a no-brainer for us. You can play around much more



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easily with interiors, but if you do not have to redesign the electromechanical side of the train, the body shell and the structure—

**Sambit Banerjee:** May I add, the reason we prefer the platform approach, as Peter and I have been saying, is that it is liked by the end customer—the operator, and the DfT? Also, the asset owners love having a similar platform for trains. That can bring the cost down. A bespoke train would be far more expensive to build, because there would be so many built-in layers of risk. It is an unknown commodity. If it is a known commodity that has been running reliably, the risk comes down and there is a far higher degree of certainty in introducing that train into the market than for a train that has been designed completely bespoke.

Q116 **Steff Aquarone:** Isn't there some margin to be made in that risk, through some of the intermediaries? If they are unknowns, they could justify charging the operator more.

**Sambit Banerjee:** I do not think that is where we should look for the margin. That is where if you are going by train price there can be positive and perhaps negative effects. We should make the margin over 35 years by saving taxpayers money. Once we are absolutely sure, we are not looking for very short-term gains just from selling a train and trying to make money. We have our asset owners with us, and they want to play the longer, 35-year time game with us.

**Chair:** Okay, thank you. Catherine.

Q117 **Catherine Atkinson:** I want to ask about Great British Railways but, before I do, you have talked about 10-year timescales, when we know that the life cycle of a train is more like 30 or 35 years. Is there not benefit in looking beyond 10 years, at what will come next? It is not as if, with this kind of product, we do not know.

**Peter Broadley:** Yes, of course, the longer your time horizon the better. That is clear to all of us, I think. At the same time, in my view a 10-year horizon is pretty good. As Sambit says, you probably have rolling: you add an additional year every year you go through. The markets change, and trains and designs change. Sometimes you look at something and think, "That will need replacing in 30 years," but when you get there you can life-extend it. Via good obsolescence management and good life extension a train can last 40 years. A great example is the Bakerloo line: 1972 and it is still running.

Q118 **Catherine Atkinson:** Expensively.

**Peter Broadley:** Expensively, yes, but at least it gives breathing space when there is not necessarily the capital expenditure. You can come with lower-cost solutions that help the overall funding of the industry. The further out you can go, brilliant, but there also needs to be some flexibility in that.

Q119 **Catherine Atkinson:** I would like to move on to Great British Railways, in which, as a Derby MP, and with its headquarters coming to Derby, I have a bit of a vested interest. What are the opportunities? How do you



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see the procurement system developing with Great British Railways? What will be the benefits, and what barriers will it need to overcome in getting the procurement strategy in place?

**Peter Broadley:** I think bringing the track and train together under GBR is fundamentally important. We have been in a fragmented industry for too long. Having that as a more coherent strategy, under GBR's guidance, is really important. That leads on, potentially, to a longer-term rolling stock procurement strategy, because you do not have individual organisations buying. You can take a view. We are starting to see some of that now, even if it is just at a formative stage, whether on the new South Western Railway or Southeastern franchises that have started running, or even with talk about combining procurements for what traditionally would have been two different operators, who all of a sudden think, "We might have the same product here, so why not buy it consistently across more than one operator?" We hope that is generally going to progress onwards and upwards.

For us it was always the guiding mind, not the controlling mind. That is an oft-used phrase about GBR. It is true in terms of giving the industry the framework and structure in which to work, but not telling us down to the nth degree what we need to do. Allow us the space to innovate and bring our products to market, and to sell what we think the next generation of train and passenger needs. If GBR allows the industry to flourish as a combination of private and public sector, that will benefit us all.

**Sambit Banerjee:** I think track and train can be successful only under GBR, because there is one body controlling it. We have a good case study for GBR, if we look at TransPennine procurement and Northern procurement—two completely different operating units, side by side. That is the first challenge—to bring it all to the same level. Both operators are procuring completely different sets of specifications, and different sets of trains. The interoperability of trains is important. If a train is to move from one route to another it should be able to do that seamlessly, because our gauging is the same. By creating bespoke solutions, we put up hurdles for the life cycle costs of the trains.

The overall cost will come down. The owners—sitting behind me—will say that the stickiness of my asset is far higher. I can surely use the asset for 35 to 45 years; hence I will price it accordingly. Now, everyone is pricing it for five years, and after five years we raise the cost of operating a train, just because of the lack of a cohesive policy. I think that that is money we can save for the taxpayer very quickly.

Q120 **Mrs Blundell:** This is a broad question, but would you say that you are encouraged so far by the Government's preparations for Great British Rail?

**Sambit Banerjee:** It is progressing. We are engaged.

Q121 **Mrs Blundell:** To narrow it down a little more, are there any areas where you are concerned that the Government may not be focusing enough?



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**Sambit Banerjee:** We were having rolling stock manufacturer sessions, and they have been paused. We understand that there is a lot going on, but we would like those sessions to be brought back, so that our combined voices can be fed into GBR and taken into account for its future development.

Q122 **Mrs Blundell:** Peter, do you have any comments on that?

**Peter Broadley:** Yes. It has probably taken longer than all of us would have liked. We understand the benefits, so let us start trying to realise them, by getting it all in place, so that the industry can start to benefit from the GBR concept. I guess the worry is always that it will get tied up in bureaucracy and then not deliver on its potential. That is a concern for the industry: making sure it unleashes the potential of the public and private sectors working together. It is work in progress.

**Chair:** Catherine.

**Catherine Atkinson:** I think I already asked about barriers. That is covered.

**Chair:** Sorry, you have already asked about the key barriers. Okay, let us move on to workforce. Laurence.

Q123 **Laurence Turner:** Thank you, Chair. You both employ a large, high-skilled workforce, getting, between you, towards 3,000 people in rail manufacturing roles, directly. With the order book in its current state, at what point would reductions in that workforce start to kick in? To put it another way, how long can you maintain your current employment footprint?

**Peter Broadley:** Anybody who sees the Derby side knows it has already kicked in. At the height of the Aventura manufacturing we were 2,000 blue collar; we are about 150 now. That is the scale of the difference, if you do not have a manufacturing order. We are quite fortunate. I said earlier that we are able to put other work into Derby to maintain that core skillset. The CrossCountry Voyager upgrade is a good example. That will probably keep at least 70 people employed for a two-year period. That allows us to retain the skillset. When new orders come in, it gives you the foundation from which to re-employ pretty quickly. If there is no work, clearly, you are going to lose heads.

Alstom is fortunate—and probably it is the same for Siemens—in having such a thriving services business, with a combined total of about 5,800 employees in the UK. That means we can redeploy people to other services sites, for the time being, or to keep the skillset. You have levers you can pull to keep job losses to an absolute minimum. I see a brighter future, and when it comes you want to have the skills ready to deploy quickly. Where we can, we try to move people around the UK.

**Sambit Banerjee:** We have 5,500 people in the UK. We are, at the moment, growing in Goole. We have recruited about 200. By the end of the calendar year we will be close to 400 and, ramping up into next year,



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we will be close to 700 people. We are on the ramp up. We are doing it to meet our order book, because the concern that is always at the back of our mind is the continuous production of the facilities.

**Q124 Laurence Turner:** You have spoken about existing constraints already. We all remember acutely the job losses in Derby a little over a decade ago. At what point would you face a similar point of crisis if new orders do not start to come in?

**Peter Broadley:** At this stage I don't think we do. There is enough work in the UK industry. Yes, new rolling stock takes all the headlines, but there are some big investment programmes in the UK. An ETCS roll-out for the entire UK fleet is perfect work to go to Siemens. Network Rail has a big passenger information systems programme, called Opta, which it wants to roll out. That is perfect to be put into Derby. We have to be more agile in deploying our staff and people. The industry is not going to stop investing. It is just that, for rolling stock, the rate may not be what we would like. There is still opportunity and work out there. It is about being agile to pick it up. Ultimately, Alstom needs a railway manufacturing facility in this country. There is no question about that. Therefore, our task is to make sure it has a viable future and we are able to put work in there until such time as the big new-build orders come again.

**Sambit Banerjee:** For Siemens, Goole is not only a train manufacturing facility; it is a rail village. We have a facility where we service all the components. We are moving our bogie facility from Lincoln, which is a single line, to make it a double-line facility, with a further £40 million investment in Goole. We have our logistics hub and digital operations centre in Goole. It is very important that our core capabilities are maintained and are given opportunities during the peaks and troughs so that we can retain the workforce, and we have depots all across the country where we can re-deploy people. We would like to work positively for growth and expect that, working together, new orders will come in and one of us will win competitively to keep the whole ecosystem running.

**Q125 Laurence Turner:** I have a final question on skills. Starting perhaps with Sambit—colleagues might want to come in on this issue as well—when you are taking on a starter, typically how long does it take to train them up to the level required, and what are the associated costs for your businesses if you do have to let people go because of troughs in the order book and they have to be re-engaged, or completely new people have to be trained up again?

**Sambit Banerjee:** For really highly skilled activities it takes a long time. We have a plan whereby we have entry level where we get the people—

**Q126 Laurence Turner:** I am sorry to interrupt. Would you mind putting a rough figure on how long it takes to get someone to that point?

**Sambit Banerjee:** It can take up to 18 months because there is a lot of training, and much of the time they are doing safety-related work. We



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need to be very careful that they go through the skills and training and have gone through a lot of practice in mock-ups, and then they work only under supervision. Whether it is us or Alstom, particularly the highly skilled workforce, if we lose the workforce it takes a long time. What we say to the DFT is that to mobilise the workforce can take up to 18 to 24 months. That is the time gap we are looking at.

**Peter Broadley:** From our side, it is not dissimilar. Where we are in Derby, we are in a position where people can also work at Toyota, Rolls-Royce or JCB. You can train up somebody to be a highly skilled operative—it is not dissimilar in terms of timescales—and because there are no opportunities within the railway sector they will just go to automotive or aerospace. It is the same in Widnes and Crewe. We are in a competitive environment. People who are trained by the railway companies tend to be quite highly prized by other industries. Whether it is Siemens or Alstom, they get a very good training package. Once they have gone, they are sometimes gone forever and we have just given Toyota or Rolls-Royce a free pass.

**Q127 Catherine Atkinson:** We saw a day when workers with a combined welding experience of nearly 1,000 years walked out the door because of the delays under the previous Government in securing the Elizabeth line trains. You are absolutely right that that was great news for Toyota, Rolls-Royce or others who value their skills, but, when it comes to recruitment and retention, do you think certainty in the pipeline is essential in getting people to work in rail with all the skills they get there?

**Peter Broadley:** Absolutely. It is interesting but I remember that when Alstom acquired Bombardier about five years ago I did a presentation at our site in Crewe. It was operating at about 40% load. The first question was, "What's the future for this site? What's coming next?" We said, "Look, you have such a huge installed base that this is going to be our centre for bogie at overhauls. We will fill this place." You could almost see the mood lift. They see a future; they see apprentices and graduates coming in; they see new roles being created and new product lines being put in. It changes the whole dynamic and morale of the site. It is incredibly important that you have that kind of pipeline. Job security is important to everyone, so the more you have that, the more you can retain and invest and do all the things that employees like.

**Q128 Catherine Atkinson:** When you are recruiting how do you find people with the skills you need?

**Sambit Banerjee:** We started on a greenfield site in Goole, but we got some very good responses from the bigger catchment area of Doncaster, Sheffield, Selby, Scunthorpe and Hull. Lots of people were very keen to join Siemens, because for us part of it is about reputation. We open factories for the next 200 years. That is our whole play with communities, STEM, apprentices and skills. Because there are also good examples of people joining as apprentices in Siemens going right to the top, there has been a lot of interest there. We have the skills that we need. It took a



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little bit of time, but we did job fairs in all those towns. Once we do the job fairs, slowly people start to come in and become interested.

We found that once we set up the factory in Goole two other big corporations set up their units there. It is buzzing. When Ruth first took me there, I was very nervous because it was an open field for miles and miles and we were supposed to set up a factory there. Ruth took me to a school that day. They said, "We want to move out of Goole. There is nothing here; it's a dead place." In 2024 I went back to the same school and they said, "We want to work for Siemens." That is what we do. We change people's lives and their families for 200 years. We have four or five generations working in Siemens. This is a story we have created across the world. In the UK we have done it in Chippenham; we want to create that in Goole as well, and make it a very attractive place to work.

**Chair:** We turn now to a former Rolls-Royce engineer.

Q129 **Baggy Shanker:** On skills, briefly, as an ex-engineering apprentice myself, do you think you are engaging early enough with prospective employees, not at 16 or 18 but much earlier?

**Sambit Banerjee:** Sure.

**Peter Broadley:** We have no choice these days but to engage earlier. On the talent pipeline, it is to an extent male, pale and stale; in a way, that is still the way of the industry, but it is now changing rapidly. Sometimes you do a STEM event. I think the rail industry is the world's best kept secret in terms of where you can have an excellent career. It doesn't matter who you are; you can create an amazing career on the railways. It is about getting that message out earlier. It is not just about train drivers. You can have a hugely diverse career. It is such an important message. My daughters do not agree yet; they look at me as if I am mad, but it is such a great industry to be part of. People like me and Sambit love it. I love working in this industry and I will promote it until the day I retire because it is such a great place to work.

But you are right about getting in early and putting the idea in people's heads, "The railway is the place to work." In the towns where we exist it is still a premium job to get. We never have problems getting apprentices or graduates. Sometimes, further up the chain, it can be a little more difficult, but we are still seen as a good place to work and a job with certain status in the town, and long may that continue. You are right, Baggy, it is about getting in early and planting the seed that the railway is a great place to work.

Q130 **Baggy Shanker:** What is the earliest age at which you engage young people? What are the youngest children you engage?

**Peter Broadley:** I think one of my team went into a nursery, but that is not the norm, I don't think.



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**Sambit Banerjee:** To answer your question, we engage four and five-year-olds with a primary engineering workshop every year. Four and five-year-olds build a Lego train with our colleagues.

The second important thing is that we have now opened the doors to special educational needs children—SEND. I will never forget the tears in the eyes of the parents when they saw their boys and girls walking into a Siemens factory, because they thought it was impossible; they couldn't do anything. Some boys and girls aged between 16 and 18 know more about trains than Peter and me; they are so passionate.

It is not only about Goole, Derby and our factories producing things; it is the whole ecosystem we are working for. We want to double up the schools and libraries in Goole; we want to make contributions to the local boxing clubs that keep young boys and girls off the street, but we can do that only if we have a business to run. Therefore, it is giving back to the communities from where we came, and this is the whole circular entity on which we need to work.

Q131 **Baggy Shanker:** Okay, something slightly different next. There are lots of questions about how the DFT, GBR and the Government can help you guys and your businesses. I am thinking now about how you can help yourselves and the employees in the communities in which you work. To what extent are the UK arms of your business engaged in exports?

**Sambit Banerjee:** Our main export is in the rail infrastructure sector. Chippenham and Ashby are a global export hub from where we export to roughly 26 countries worldwide. Fifty per cent. of the capacity in Chippenham and Ashby is exported worldwide. That is why our shareholders are investing £100 million to build a completely new facility in Chippenham so that the research and development work can be done and we can increase exports from 50% perhaps to 70% or 80%.

**Peter Broadley:** It is not dissimilar for us. Clearly, one of the workstreams for Derby is to expand its export capability. Car and monorail was a really good example of that. Our intention is to follow that up with other opportunities to export.

We have a business called Alstom Electronics based in Sutton-in-Ashfield. We have realised that in the Alstom empire and across the world it is a unique facility. Nobody else in the Alstom business does what we do. We have started to export to Scandinavia, North America and so on. Sometimes, from quite a small seed exports grow. Our business Nomad Digital, which I talked about earlier, is a wi-fi provider. I think 80% of its business goes out of the UK to elsewhere. There are opportunities out there if you look for them. Especially if you can provide an interesting niche product, it is amazing how quickly you can develop sales in that area.

Q132 **Baggy Shanker:** Specifically on rolling stock—I refer to the Cairo monorail and metro line to Egypt—can either of you see any other future opportunities for exports?



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**Peter Broadley:** Yes, working primarily with UK Export Finance. We are working together with them on at least three opportunities at the minute to export monorail products. From that perspective, there are definitely further opportunities to grow.

**Sambit Banerjee:** We are at an early stage in Goole, but we are among the four factories that we have in Europe. If we produce the Piccadilly line trains and others well subsequently, there is a huge opportunity to export in Europe and also other parts of the world. At the moment we are focusing on that.

**Chair:** I am very much looking forward to the new Piccadilly line trains. It cannot be before time for us.

Q133 **Laurence Turner:** Changing topic a little, the UK's rolling stock procurement system may be unusual compared with some of the other countries in which you operate. We are shifting towards a model which may look more similar to most European countries with one dominant public sector operator and customer. It is quite an open question, but can you tell the Committee how the UK's current system of procurement compares with those markets, and whether you think there are any lessons for the DFT to learn from those other nations as it designs Great British Railways?

**Peter Broadley:** Steff came up with a very good comment that if you go to France, you see a French train, and if you go to Germany, you see a German train, but that if you come to the UK, everything is different. That is driven in part by the way the industry was structured post privatisation. Every operator wanted something unique and defined who they were and their business. I think the capability to standardise and have more homogeneous products is the key if you have a single procuring entity within the UK. That is where you will get the benefit and cost savings—there is no question about that—if we are able to provide trains from the same product platform. While there is a major procurement in terms of the Department for Transport, you also have Transport for London, and I think the regional mayors will also become equally important. From our perspective, it is just making sure there is some consistency between the organisations that are buying rolling stock to make sure we do not start diverging again towards multiple products, when you can save a lot of money by having a certain amount of standardisation.

**Sambit Banerjee:** I think Peter has said it. This is all about one body looking at standardised platforms across the franchises and collecting all the requirements so that it can come out in a competitive tender. Once that is established the other most important thing is timeline. Timelines must be maintained so we have certainty. Fully funded timelines are the essence of rail procurement today.

Q134 **Laurence Turner:** I remember a civil servant once referring to the UK as "Treasure Island" because of the proliferation of individual procurement requirements rather than having standardisation.



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As a final follow-up from me, you said that the UK perhaps has been paying over the odds because of that degree of individual requirements. Could you place a ballpark figure or percentage on what the mark-up might be for UK taxpayers and farepayers because of the level of individual requirements?

**Peter Broadley:** It is interesting to have a civil servant describing the UK as "Treasure Island". I am not sure that our bosses in Paris and Munich would necessarily see it that way. What you are doing is designing complexity into something that should be relatively simple. Sometimes, they look at us slightly quizzically as to how we go about our procurement, because it is not the same as the bigger national operators on the continent. I would probably have to give you the actual figure after the session rather than doing it here.

**Laurence Turner:** Thank you.

**Chair:** We have taken a bit longer than expected, but this has been a very useful session. It brings the first panel to an end. I would like to thank you for your evidence and the time you spent preparing for today. Do send us anything that you think adds to what you have said today.