

Transport Committee

Oral evidence: [Work of the Secretary of State for Transport](#), HC 626

Wednesday 22 September 2021

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Members present: Huw Merriman (Chair); Mr Ben Bradshaw; Ruth Cadbury; Simon Jupp; Robert Langan; Chris Loder; Karl McCartney; Grahame Morris; Gavin Newlands; Greg Smith.

Questions 1–136

Witnesses

[I](#): Rt Hon Grant Shapps MP, Secretary of State for Transport; and Bernadette Kelly, Permanent Secretary, Department for Transport.



Examination of witnesses

Witnesses: Rt Hon Grant Shapps MP and Bernadette Kelly.

Q1 **Chair:** This is the Transport Committee's one-off evidence session with the Secretary of State for Transport. For the record, I ask the Secretary of State to introduce himself.

Grant Shapps: I am Grant Shapps, the Secretary of State for Transport. I am alongside my permanent secretary, Bernadette Kelly.

Q2 **Chair:** It is great to see you, Secretary of State. It is great to see Ms Kelly as well. Welcome back.

It is a busy time for both of you. Before we go through the many sections that we have over the next couple of hours, I want to ask about a few topical matters that are in the news.

First, there have been issues with protesters on the M25. Roads are very much your responsibility. Are there sufficient powers for the police to deal with this? Are the police just not using the powers that currently exist?

Grant Shapps: The police have increasingly been stepping up their action. As we have seen, sometimes it is the same protesters going back a day or two later and protesting again. The powers do not allow the police to hold people for more than 24 hours. That is creating a problem.

Yesterday, I instructed National Highways—formerly Highways England—to seek an injunction, which was granted last night and will become effective later today. An injunction means that if those protesters do not take note they can be in contempt of court, which could incur imprisonment.

It barely needs saying, but it is irresponsible and dangerous. It is completely counterproductive, because it actually creates pollution. It is unacceptable behaviour, which I hope that this injunction brings to a close.

Q3 **Chair:** Are you confident that the police will enforce? There has been footage, which my constituents have raised, of police talking to those who are on the motorway, but not actually taking them off the motorway.

Grant Shapps: I saw some of those pictures. Obviously, this becomes a Home Office issue. Earlier in the process, a somewhat different approach was being taken. I noted yesterday that the police were on the scene very quickly. From what I saw, they seemed to be removing protesters much faster. The injunction will greatly strengthen their hand, because the same people then cannot come back. If they do, they are in danger of imprisonment and a fine, which protects the road under the law much more effectively.

Chair: I was going to bring up a second topical question, but Karl McCartney wants to come in on the same subject.



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Q4 Karl McCartney: Were you and your Home Office colleagues in Cabinet as incredulous as many of us and our constituents were at the type of police action that was initially taken? You have just mentioned that police action will be taken. There are different types of police action, as you and I both know. Will the police action be more robust, as many law-abiding citizens in this country would expect it to be?

Grant Shapps: Earlier in the week, both the Home Secretary and I called for the protesters to be removed instantaneously. We do not think that it is acceptable to go and stand on a road. It is bloody dangerous. Obviously, it is inconvenient. It is also completely counterproductive. It actually creates pollution to have that traffic standing still.

Of course, we want the police to act quickly on it. We have seen them speed up their actions. We also want to make sure that they have the legal resource. This interim injunction will do precisely that.

I absolutely share the annoyance and anger of motorists and everyone else. It is unacceptable for this behaviour to continue. I hope that the court action that I prompted National Highways into is a considerable assistance.

Q5 Chair: Do you think that it is likely that Parliament will need to grant more legislative powers to deal with this situation?

Grant Shapps: We will review the powers. Clearly, it is unacceptable for people to be able to walk on to not just major highways, but a motorway, to stop the traffic, to be released the next day and to do the same thing again. Of course, we have to keep the powers under review. An injunction may just be an interim way of doing that. The answer is yes.

Q6 Chair: The second matter that I want to bring up is international travel. We have a section on that, which Ben Bradshaw will take us through, but yesterday we heard in Committee from the senior management of British Airways, easyJet, Gatwick and Heathrow. They welcomed the changes that you have brought forward. Of course, they wanted a little more liberalisation, with no testing at all. One of their requests to us was to ask you when the date for the removal of PCR testing is likely to occur. In the statement, it was towards the end of October. Do you have a specific date from which it is likely to be removed?

Grant Shapps: I appreciate the extent of the difficulty that this whole coronavirus has caused many sectors, none more so than aviation. It has been deeply damaging. I am very keen to see a full recovery of UK aviation to our spot of third largest aviation sector in the world, after only China and the US, with bigger domestic markets because of the size of those countries. I want to get it back there.

Clearly, the range of measures that I announced this week and last week will make a big difference, because people will be able to travel much more freely. Part of that is about removing the PCR test on day two and replacing it with a much simpler lateral flow test. The Department of



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Health is responsible for the regime that surrounds that testing. I am working with colleagues over there who I know are very keen to do this as quickly as possible.

As you say, the press note mentioned the end of October. I know that colleagues over at Health are aware of half-term dates, for example. They will be working very closely with private sector providers to ensure that they can do this as quickly as possible. I do not have a date, because that is their work, but they understand that speed is of great importance.

Q7 Chair: Children in East Sussex, the county that I represent, go off on half-term on 22 October. Families will want to book holidays, but they probably will not book a holiday unless they know that it is going to be within their cost ratio. Do you have an idea of when we will know what that date will be, if that makes sense?

Grant Shapps: Not presently. As I said, that is because it is not directly within my remit. I am working very closely with Health to encourage them and to ensure that that work is done quickly. I want to see that announcement out to provide clarity for people as quickly as possible. Obviously, they will not come back on the 22nd. None the less, they will need to know before they go what they need to come back and what the testing regime is. I appreciate the urgency and will be chivvying this along.

Q8 Chair: Super. Ben will touch on international travel after I have finished.

The third sector I want to look at is HGVs. There are driver shortages. You have relaxed some of the rules. Are you confident that we will have the supply chain that is needed for Christmas? Do you think that things could get worse before they get better?

Grant Shapps: Just to set it in context, this is absolutely global. People talk about our HGV crisis, but it is much bigger in Poland, for example. It is very large in Germany. In Poland, the figure is 123,000. In Germany, it is 60,000. It is an issue in America and many other places. It is very much a global issue, to do with the stop-start nature of coronavirus, specifically.

In addition, we have had a systemic problem in this country for a very long time. I was talking to the chief exec of the largest HGV representative body, Logistics UK, who told me that when he came into the job—I think that he said it was five years ago—the biggest issue on his desk was a shortage of HGV drivers. This has historic precedence in the UK.

One reason for that is that we have continually allowed our domestic market to underperform by, essentially, having wages undercut by people who come in and are prepared to do the job for less—in pretty bad conditions sometimes, in terms of truck stops and the like. That is the wider picture that we are determined to resolve.



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In terms of measures, we now have 50% more weekly tests than we had before coronavirus at DVSA, the testing agency. We have gone from 2,000 to 3,000 tests per week available, but the raft of measures that I announced the week before last go much further and will provide another 50,000 tests. Overall, that will provide twice as many testing slots as we had before the crisis.

We have seen a very welcome increase in salaries. We have seen salaries rise by 10% to 20%. There have been reports of some very high salaries, with one milk distribution firm paying £78,000 for a lorry driver, essentially.

That will provide a greater incentive for people to come into this market. It is a strange market overall, because 99% of HGV drivers are white male. That means, almost by definition, that half the population, although not excluded from this market, are not tempted to come into it. We need better facilities as well. There are lots of different aspects to this, but better pay, wages and facilities would go a long way towards increasing supply.

To answer the question straight, we are starting to see big increases in the number of people passing their tests. There seems to be a lot of demand, thanks to the higher salaries. If we can get people through those tests, that will relieve the pressure on the system. We are starting to see that on a week-by-week basis.

Q9 Chair: That is interesting. Back in 2016, when Karl McCartney and I were members, this Committee put out a report talking about the poor conditions that lead to driver shortage. Of course, the issue has always been pay, because you can always find people from abroad who are willing to tolerate those poor conditions. As you said, things now have to change because that market is not there. Does that mean that we could see inflation and increased food prices? You gave the example of the milk providers. We know how undercut the farmers are at the moment. Does that mean that there will be an impact on the farmers or, indeed, the price of milk in supermarkets?

Grant Shapps: I know that we often have conversations about the cost of living. As a Government, we believe that there is nothing wrong with people being paid a proper salary for a decent day's work. Typically, the cost of distribution is a very small element of the overall cost of a product. I do not think that this is going to lead to big inflation, but it could permanently correct the HGV supply-side market for drivers. As you say, it not just about pay—it is about conditions. It is worth pointing out that at the Department for Transport we have been working on the condition of the truck stops—the overnight stay locations—for a long time. Baroness Vere has been leading a long-term project on this. We have been working with our colleagues over at MHCLG—now the Department for Levelling Up—to get better planning rules in place to allow for more and better truck stops.



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We have been working on these issues for a long time. One reason that we have already expanded the number of testing places by 50%—prior to the measures that I announced a couple of weeks ago—is that we had already done the consultations and taken steps to clear up spaces for testing. We have been a step ahead on this issue, but there is global pressure. Of course, we are subject to that global pressure in our response.

Chair: Members, I have finished with three minutes to go. I want to hand over to Ben at a quarter to 10, so Karl and Ruth have three minutes for questions.

Q10 **Karl McCartney:** I like to be helpful. I am going to remind you of Denby Transport and Dick Denby's computerised trailer model for road haulage. It is all about volume. You said that you have taken some steps, but you have a ready-made step that has been there for 16 years. I do not know whether Ms Kelly is aware of this, but, for some reason, some people in your Department have blocked it. Lots of your predecessors have seen the vehicle in action. It conforms to all the regulations that are in place. Three European countries already allow it on their roads. For volume products such as toilet rolls or Kellogg's Crunchy Nut cornflakes—whatever takes your fancy—it would be a solution. Can you commit to looking at that again and, perhaps, allowing it on the roads? That would offer a great solution.

Grant Shapps: I know that you have been a very assiduous champion of your constituent's business, Mr McCartney—and rightly so. I am very happy to write back to you with some details on that. Off the top of my head, I cannot recall the specifics of the safety case and all the rest of it.

We do look to innovate on the roads. For example, we have had long-term size-of-vehicle trials, which we have turned permanent. I love innovation in this space. I am very happy to write back to the Committee with details.

Karl McCartney: I am pleased to hear that you love innovation. I am sure that Dick Denby will be, too.

Q11 **Ruth Cadbury:** It is good to see you, Mr Shapps. Three weeks ago, you announced the winding-up of the Independent Commission on Civil Aviation Noise. This was set up, following a recommendation of the Airports Commission, to be independent, to listen to the communities affected and to require the industry to address and mitigate aircraft noise. Now, the CAA—the regulator—is going to be marking its own homework because you are pulling the work of the ICCAN into the CAA. Why did you do this? Did you do it because you did not think that the commission was effective or because, as a Government, you are not really concerned about mitigating aircraft noise in communities like mine that potentially benefited from the commission's work?

Chair: May I ask for a brief answer on that? I am sorry to push you.



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Grant Shapps: Sure. I know that this is a niche issue, but it is important none the less. ICCAN was the body. It is very much the former of your two suggestions. A review was carried out after three years of ICCAN's operation. It was found that ICCAN did not seem to have sufficient clout and had not made enough progress. The good thing about the CAA is that it is established and has lots of clout.

I completely appreciate your point about ensuring the independence of its work. The CAA often does that in many other realms of its work—for example, over airspace and much else. We think that it will strengthen the hand of noise protection to have it within the CAA, rather than in a body buzzing around on the outside, making recommendations and, we felt, underperforming overall. I think that it will be very much to the benefit of your constituents. It will give you a direct route to the people who are experts, rather than an outside body that did not seem to have made sufficient progress in the time available.

Ruth Cadbury: I hope so.

Chair: We are making good time. Ben Bradshaw has until 10 o'clock.

Q12 **Mr Bradshaw:** We heard yesterday from the travel sector that it has actually had a worse summer than last year, although we have the vaccines now, and that the level of bookings in this country is much less than half of the European average. Why do you think that that is the case?

Grant Shapps: Because the impact of coronavirus has probably been disproportionately large on a country—the UK—that is traditionally more of a hub location than many of those in Europe. I think that that is the primary reason. Obviously, it would be disingenuous for me not to say also that, in many different ways, we have changed our coronavirus rules in this country at different speeds from those in Europe. For example, because of our vaccine roll-out we have had greater domestic freedoms than have existed in many places in Europe, but we have not had some freedoms over travel quite as quickly. I think that both of those factors combine.

Q13 **Mr Bradshaw:** The rest of Europe now has no testing, effectively, if you are double vaccinated. Why are we going to retain any sort of testing regime?

Grant Shapps: Everybody now accepts that you have to get this balance right. I heard many people argue throughout this coronavirus period that we should follow the Australian example and lock down entirely. There is a whole body of thought that went in that direction. I think that the world now sees that that does not make any sense. Eventually you get the delta virus. Eventually you cannot come out of the lockdown.

On the other hand, there are people who say, "Remain open entirely. Don't worry about variants of concern, and what have you." Again, not monitoring and being aware of what is around you is a bad idea.



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This country has a unique strength in coronavirus monitoring that no other country in the world shares, which is that we do almost half of the world's sequencing. There have been many occasions during this crisis when the UK has regretfully had to inform a third party—another country—that it has a variant of concern of which it has itself not been aware, in many cases. Some of this has just come from our greater awareness of what is going on around the world. That has created a more cautious approach, which has lent itself to sequencing continuing for longer.

Q14 **Mr Bradshaw:** We have the worst of both worlds, don't we? We have pretty much the highest number of coronavirus infections in Europe—much higher than that in Germany, France, Spain or Italy—and the worst hit to our travel industry. You have created a double whammy.

Grant Shapps: I would be really cautious with those figures. I know of no other country in the world that provides twice-weekly, free lateral flow testing to all of its population. We end up testing a lot of people.

Q15 **Mr Bradshaw:** So it is all about our testing levels, not our infection levels.

Grant Shapps: That is part of it, isn't it? If you test more people, you find more infections, for sure. That is logically the case.

Q16 **Mr Bradshaw:** I am talking about the proportion of tests taken that are positive.

Why are we still the only country in Europe that has mandatory hotel quarantine?

Grant Shapps: The number of countries to which mandatory quarantine applies has reduced by eight. We hope to reduce it further, as I said at the Dispatch Box the other day. It is a matter for the Department of Health to work out the quarantine system.

I think that most people want two things. They want as many freedoms as possible, but they also want to know that HMG are doing everything possible to protect from unexpected variants. The one thing we can all be certain of is that we probably have not seen the end of coronavirus. There will be further variants of concern. This mutates all the time. I hope that it shifts from being a pandemic to being something that is instead endemic, but we need to make sure that we are keeping a close eye on that.

As I said, the trajectory is to open up and to have a global system that every country can sign up to. I am about to chair a further meeting of the G7 Transport Ministers and Secretaries of State—my equivalents—and some of the Health Ministers to establish what that global picture should and will look like, but you must have precautions in place.

Q17 **Mr Bradshaw:** We still have the longest red list in Europe. Can you explain to South Africa why it is on the red list when its latest Covid



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figures are 39 per 100,000, whereas Israel, whose latest figures are 575 per 100,000, is on the green list?

Grant Shapps: That is a very 2020 way of looking at these things, if you do not mind my saying so. We used to look at the level of infection, which was the only determinant during the summer of 2020. Now the Joint Biosecurity Centre—the JBC—which is responsible for making these recommendations, looks at a variety of criteria. I am not sure whether the Committee has had the JBC in, but I am sure that it would be happy to explain the methodology in detail. For example, it looks at levels of vaccination. To point out the obvious, Israel has one of the most vaccinated populations in the world. It is getting on with the third booster jabs. South Africa is a very long way behind that—to give you one example of a difference.

Q18 **Mr Bradshaw:** We have tried to get these criteria, haven't we, Chair? So has the industry. They have not been made available and are still not being made available. The industry is very frustrated that these decisions seem to be made with no logic, no justification and overnight. Can you guarantee that no country will be put on a red list giving people 36 hours to get out before they have to face nearly £3,000 of hotel quarantine?

Grant Shapps: The criteria are published openly on gov.uk. They are not not available.

Q19 **Mr Bradshaw:** But not the detailed methodology.

Grant Shapps: I would encourage the Committee to get the Joint Biosecurity Centre in.

Q20 **Chair:** It is interesting that you say that, Secretary of State. On behalf of the Committee, I wrote to the Joint Biosecurity Centre on 3 August, asking for a reply by 17 August, so that it could better inform us of why France had moved to amber plus, whereas Spain had not, when the beta rate there seemed to be greater. There was no response at all. We cannot find any detail of the methodology for the advice on the red list. It seems to be suppressed. I think that it comes up with "compressed" on the actual data. We cannot find any information. The centre is not writing back to us. It seems to be a bit Wizard of Oz about it.

Grant Shapps: It does not come under my remit. It is a Department of Health body. I will very happily write to it on behalf of the Committee to say that in my view, at least, it certainly should share that information with a Committee of Parliament.

Chair: Thank you.

Q21 **Mr Bradshaw:** Can you answer the question about whether you will give a bit more warning than 36 hours to the industry and the public, who may find themselves trapped in a country that is going red or face a £3,000 bill for hotel costs?



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Grant Shapps: I share the Committee's frustration about some of the very quick footwork that has sometimes had to be made. For example, I think back to when Denmark had to be added to the effective red list very quickly—in a matter of hours—because of concerns over a mink variant. These things can happen quickly.

I hope, given our level of vaccination and the level of vaccination that is moving up around the world now, that we have moved away from the bad old days when things have to happen very quickly. I absolutely recognise how crippling it is for individuals and communities when these things happen quickly, and I never want to see it.

That being said, you would expect me, as a Government Minister, to make it clear that we will do whatever it takes to protect the health of people in this country. I am genetically inclined to your perspective that we must now try to give people notice, given that we now have the fortunate level of coronavirus vaccine protection that we enjoy.

Q22 **Mr Bradshaw:** Do you know how many UK Government Ministers have visited red-list countries and avoided hotel quarantine in the last year because they are exempt?

Grant Shapps: I do not. I can tell you that I am not one of them.

Q23 **Mr Bradshaw:** Why wait until possibly the end of October to switch from PCR to lateral flow tests? I have been travelling quite a lot, thankfully, over the summer—very expensively and, often, very inconveniently. Exactly the same companies provide the day two PCR tests as provide lateral flow tests. It is the same companies and the same websites. They could provide them now if you just changed the rules now. Why are you potentially jeopardising the very important half-term for the industry, which could be a lifesaver for many companies, by dragging your feet on this?

Grant Shapps: Again, this is a Department of Health responsibility, rather than mine. My understanding is that the ramp-up of supply of lateral flow tests through the private testing sector has some way to go, inasmuch as currently they are almost entirely involved in providing PCRs. There is that aspect. There are then the technical changes required to the passenger locator form and the administrative switch.

I agree with you that the sooner this can happen, the better, but your questions would be better put to a Health Minister, because I am not privy to precisely the technical reasons for this.

Q24 **Mr Bradshaw:** The multiple companies that are on your official list all provide lateral flow tests as well. They are all advertising lateral flow tests now. I checked. I do not see why—

Grant Shapps: It is just a question of scale, if I understand it correctly. We would go very quickly from a situation where they are providing probably in the low thousands to one where they are providing probably



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millions of tests. They need a few weeks to scale up on it. Again, I am happy to be the intermediary with Health, to try to get some further understanding of the market.

Q25 Mr Bradshaw: The industry, and countries like South Africa, are extremely worried that the Government have indicated that the rules are not going to change again until the new year, which could again kill the all-important Christmas season for countries in the southern hemisphere, in particular. Is nothing going to change before that?

Grant Shapps: No, that is not correct. This morning at 7 am I released the news that we have now onboarded the United Arab Emirates, which was not on the list the other day. There was a technical issue to do with a date of birth missing from its Covid app. It was not one of the eight countries to come off the red list the other day, but I have been able to announce cross-government agreement that it is off the list today.

No, we will not wait until the new year to review where countries are. What I wanted to do was to make sure that we had set a system: removing the pre-departure test; exempting children; expanding to 50-plus the number of countries whose full vaccinations we recognise; and the shift to lateral flow from PCR on day two. It is the system that will not change. Countries can still come out of the list in the meantime.

Q26 Mr Bradshaw: How regularly will the list be reviewed?

Grant Shapps: We will carry on with the three-week review, typically. With the UAE, we saw no reason to wait another three weeks to announce a small technical change that enables it to come off the list straightaway.

The other big change that I should mention, which will be of interest to you, is the change in transit arrangements. Until now, if you transited through a country that we did not recognise you had to quarantine when you got here, for example, or take the more extreme measures. It is now the case that when you transit through a country the rules from the country you left from follow you home. It is the same on rail. That will be hugely advantageous to restarting the aviation sector, in particular.

Q27 Mr Bradshaw: Finally, can you clarify something that the industry thought was going to happen, although I have not seen it anywhere in writing? You are scrapping the ban on mixed vaccinations. That would, in effect, have prevented Angela Merkel, the German Chancellor, from visiting this country because she had Pfizer and then AstraZeneca. That is going. You will accept mixed vaccinations now.

Grant Shapps: Yes. There was a situation where we recognised only MHRA-recognised vaccinations—and only, initially, in the EU plus EEA and the US. That has now been expanded to many more countries and liberalised to be more reasonable, essentially. We were coming up with a



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lot of edge cases where somebody who had been vaccinated with AstraZeneca and had then gone to the States and been given Pfizer could not be recognised. Those are the sorts of issues that have been resolved here.

Q28 Chair: Are there any guarantees that you can give around the price of lateral flow tests? The concern has to be that they will now rise, which will again make travel too expensive.

Grant Shapps: I am a believer in the market. The best guarantee that we have is that competition will drive this down. We know that, by their very nature, lateral flow tests are much less expensive—perhaps half the prices—because you do not have to send them off to a lab and involve somebody’s time there. If an average PCR is £60, you should be able to get a lateral flow for £30. When I travelled this summer, I got a PCR for £42.50. I hope that we will see lateral flows for much more reasonable prices.

To answer your question, the best certainty is to ensure that there is plenty of competition in the marketplace. I know that that is something that the Health Secretary and I want to see.

Q29 Chair: But you will keep it under review.

Grant Shapps: Absolutely.

Q30 Karl McCartney: On airports, you have been asked all sorts of questions, but I want to pick up on the two-tier system that might well be in place. I assume that you were briefed after the representatives came in to see us yesterday. They have some issues with the rules that are in place for them and their travellers.

On the numbers that you could not provide, my initial question is: how many people have come into this country who haven’t had to quarantine, whether that is for the Euros, for the G7, or, looking forward, for COP 26, who will not have the same rules imposed on them as ordinary travellers who do have to quarantine? If you cannot provide that figure now, can you provide it to the Committee in future?

Grant Shapps: I do not have that figure now, but I certainly can.

I can explain the background. At Covid O, a Cabinet Committee that sets the rules, different Departments bring forward exemptions. For example, if you had water-testing plants that required experts, or a nuclear power station that required an expert, or if you are in DCMS and you have footballers coming over, they would bring forward an exemption request, which is then considered by the Covid O Cabinet Committee and passed. They would be passed in DFT’s name but would be a matter for each individual Government Department.

Q31 Karl McCartney: Yesterday, we were told that certain Border Agency employees are not working as well as others at different airports. Do you point out to your colleagues who are in charge of the Border Agency that



they need to get better at their jobs? At the moment we do not have that many people coming back through the airports. When we get back to normal, we are going to have huge queues.

Grant Shapps: Where there are problems with, say, Border Force—there was an occasion two or three Friday nights ago—typically, I am in direct contact with the Home Secretary, sometimes at midnight, asking her to request from Border Force status updates. Some of this is quite predictable—for example, at the end of the half-term break.

I should say and record, though, that there has been some terrific cross-government work done by Border Force, the Home Office, the DFT and others. For example, unbeknown to the passenger, when you come back and go through an e-gate, it is reading your passport number, which is referencing your passenger locator form, which has been looking at your pre-departure test proof, and knows that you have booked a day-two PCR, as the system is at the moment. It does all of that in a second as you put your passport down on the e-gate.

While there have been some considerable issues and queues, as we know, there have also been quite a lot of technological updates, both hardware and software, to the e-gates, to allow for that process to process hundreds of thousands of passengers. That is going to become a lot more straightforward because we are not going to need the pre-departure test.

Karl McCartney: I realise we only ask you about the bad news; it is good to hear some good news. I am conscious of the time. Thank you very much.

Q32 **Chair:** It was interesting that yesterday the airports told us they have a target time of five minutes to get people through departures and out, yet Border Force has a target time of 45 minutes per passenger coming in. I think that probably tells us a lot as between the public and private service.

Q33 **Chris Loder:** What has happened to the committed obligations from the franchises that were terminated as part of the emergency measures that were implemented because of the pandemic?

Bernadette Kelly: This is committed obligations from the long-term franchise agreements at the point at which we transferred them on to emergency measures agreements.

Q34 **Chris Loder:** I am not sure they were all transferred forward. I am just asking what happened to the committed obligations from the former franchise agreements at the point of emergency measures being implemented.

Bernadette Kelly: Can I come back to you? That is quite a technical question, and I want to ensure I give you the right technical answer to that, if that is okay.



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Q35 **Chris Loder:** That is kind of you, thank you. Just so we are all clear, I am interested to understand whether those were transferred or negotiated out, if you like, as part of a future agreement, and, indeed, what the value would be of those committed obligations.

Bernadette Kelly: We have been gradually closing those down as we have gone through EMAs to ERMA's, and now, of course, we are talking about National Rail contract awards with the franchise holders. We have been transitioning those through, but again I can give you direct details, including values, on this.

Grant Shapps: I think it is worth being very specific and clear about what you are asking. I think it is the case that the Department has negotiated, to the tune of many, many millions of pounds, payments from the train operating companies with regard to that. It is information we will be very pleased to give the Committee.

Bernadette Kelly: They have indeed.

Q36 **Chris Loder:** I think it is fair to say that those negotiations may have taken place, but the actual delivery of those committed obligations, which would have, in many cases, benefited many communities and local railway stations or services, have not happened. We would like to know what has happened to that, and whether indeed money has come back to the Department and, in effect, when we will see those things being delivered that communities have previously been promised.

Bernadette Kelly: And I will certainly provide that. As far as some of the financial values are concerned, as the Secretary of State has said, we have reached negotiated agreements with the operators. I have written to the PAC, and I am very happy to write to this Committee setting out the details of those values.

As for the actual benefits that you are talking about—better services, better station facilities and all those things that passengers care about—we have been very keen as we have worked through ERMA's, and now the new National Rail contracts, to ensure that we are locking in as many of those benefits as we possibly can, as well as seeking to adapt to the new circumstances.

Q37 **Chris Loder:** I shall be delighted to have a conversation with you at a later point, to let you know how much that is not happening in the South Western Railway franchise, particularly in Dorset. I should be very pleased to share that with you.

Secretary of State, £12 billion was what the Government, understandably, had to pay for the delivery of the train service over the period of the pandemic. What are you expecting now the cost to be for the operation of the passenger railway for this coming year?

Grant Shapps: Obviously, the scale of the recovery is yet to be known. We are seeing people come back to the railway, thank goodness, and we



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have started to see some of the busiest weeks we have seen, but the patterns are very different from before the pandemic. For example, we have seen some very high loading figures—in English, lots of people taking the train—for weekends, which is an unusual feature. Leisure travel has picked up, but not the Monday to Friday, as you might have seen in the past. We need more time to see how that is going to settle down and the pattern of people coming back to work

Q38 Chris Loder: You must have a forecast currently of what you are expecting the expenditure to be for the coming year.

Grant Shapps: Yes, of course.

Q39 Chris Loder: And there are going to be changes. I am sure the Treasury would never accept a totally blue-sky response.

Grant Shapps: Of course. I should probably say at this point that the spending review is the place where a lot of that work is being done. I need to wait for the outcome of that before I brief the Committee, but you are absolutely right, of course, and you know everything there is to know about the railway, so you have rightly pinpointed something that is top and centre of our minds.

Q40 Chris Loder: Will you be able to tell us the current budget—not today?

Bernadette Kelly: As I understand it, the net budget, which is net of revenues and things, for 2021-22 for what we call our passenger services, is £4.1 billion. That is not a precise comparison of the £12 billion figure that you quoted versus the amount of additional Covid expenditure this year.

Q41 Chris Loder: There are going to be huge unknowns in revenue for forecast income.

Bernadette Kelly: Indeed.

Q42 Chris Loder: I fully understand that, but it is good to get the ballpark of what the Department is expecting.

What innovations and new things have you encouraged operators to do to achieve these targets? Of course, sometimes sending operators off on a tangent of pure revenue is not always the best thing in the middle or longer term for the business.

Grant Shapps: Of course, we have had the White Paper launch and the Williams-Shapps review—the Great British Railways announcement—which fundamentally changes the relationship of the train operating companies with the railway, as you know. It changes the model because Great British Railways will collect all the revenues in future and work to provide passenger service contracts in a very different, reinvigorated, much more passenger-focused approach to rail. We are at an in-between stage so the types of contracts that are currently in place are a transition to that future with the Williams-Shapps work.



Q43 Chris Loder: I fully recognise that, but rail companies are now consulting on their timetables for next year, and there are a number of areas of the country that suffer greatly. Currently, the Government—the Department— have the ability to specify those timetables should they wish. When I asked you about revenue, it is because I really want to understand if you have directed passenger operators or owning groups to respond to you and to undertake these timetable consultations purely based on revenue, or whether there are other factors

Grant Shapps: Other factors.

Bernadette Kelly: Obviously, revenue is a significant consideration, particularly as we look ahead to the recovery of the railways. That is an important consideration for us, and for the industry, to get it on a much firmer and more sustainable footing. It is clearly not viable to be subsidising £12 billion a year to keep people travelling. However, I want to emphasise that it is not just about revenue. One of the advantages, I think, of the National Rail contracts, and the way we are now working with operators, is it gives the Department a closer oversight of what the train operators are able to offer in passenger benefits. We know they are not now taking revenue risk as they were in the past. The price for that is we need to be confident about the benefits they are going to deliver.

Q44 Chris Loder: Therefore, could you help me to understand why you as a Department are allowing a private operator to worsen the service on the worst-frequency railway line in England? Why are you allowing those things to happen if it is not just about revenue? For example, I have a railway line in my constituency with a three-hourly frequency service. The operator has consulted and it is not even going to consider continuing some of its services. To my mind, that is totally unacceptable, and I do not quite understand why there is such a rigorous approach when it is not just about revenue—when there are many other things in levelling up community benefit, and when we have some of the worst poverty in south Dorset on that line as well.

Bernadette Kelly: You obviously have something very specific in mind and I am sorry I cannot address that.

Chris Loder: I should just say others have similar experiences.

Bernadette Kelly: Indeed. I think there is a genuine balance that we are trying to strike between, as you say, reducing the impact and the burden on taxpayers of running services at pre-Covid levels but also maximising as best we can the benefits to passengers. It is always going to be quite a difficult balance in some cases.

Q45 Chris Loder: May I ask why in some circumstances you are saying, “We are going to cut off a whole route”? This is what it is—cutting off the connection of a whole route. I was of the understanding that was not acceptable from your earlier statements.



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Grant Shapps: Probably the best thing is to set up a separate meeting with you and the Rail Minister to address that specific concern. The overall policy is clearly to try to deliver the best possible railway service to the most communities. In our approach to that, we have done things like reversing Beeching lines down in the south-west. We have the Okehampton reversal, probably the first Beeching re-opening that we have had. Our commitment is to connect communities. As I say, on the specifics particularly for your constituency, a meeting with the Rail Minister would make a lot of sense.

Q46 **Chris Loder:** I should say there are other MPs who have their own situations. It is not just my own consideration.

I am conscious of the time. I just want to ask you, Secretary of State, when are we expecting to see primary legislation relating to railways reform?

Grant Shapps: As you know, it is not in and was not required to be in this Session. It would have been too soon to have in it in the Session that we are in, but you may well see it in the not-too-distant future. Our commitment is to have made this transition by the end of this Parliament. That dictates the timing for primary legislation.

Primary legislation is not the only thing required—far from it—and there is a big transition process going on to go from the current very disparate set-up to Great British Railways, which I will be saying more about very shortly.

There are lots of very exciting things happening in part of that transition. For example, you will know as an expert in rail that we have announced the national flexible season tickets, which are proving popular. We are also moving to National Rail contracts and many other changes that are going to make it easier for people to travel.

Q47 **Chris Loder:** Just so we are clear, there is a proper mobilisation arrangement set up: is that correct?

Grant Shapps: Yes, and I will be saying more about it very shortly, in a more formal way.

Q48 **Chris Loder:** In terms of policy, will you confirm whether you have given a remit to review what are currently referred to as franchise boundaries and probably in the new world would be business unit boundaries, I imagine? Have you given the direction or the ability for those to be reviewed where regional connectivity could benefit as a result?

Grant Shapps: Williams had a lot to say about this in his report, as you will be aware. The transition team will be working on all those things. I do not want to pre-empt an announcement yet to be made, but I can reassure the Committee that you will not have to wait very long.

Q49 **Chris Loder:** You are not precluding those franchise boundaries from the review, are you?



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Grant Shapps: I was not going to go into detail on it right now, unless the permanent secretary has a comment.

Bernadette Kelly: We occasionally revisit boundaries.

Chris Loder: I would be delighted for you to write to me or write to the Committee and tell us.

Bernadette Kelly: They are not set in stone. We review them from time to time where it is obvious that better services—

Q50 **Chris Loder:** I cannot remember the last time we saw that.

Bernadette Kelly: —can be delivered in a different formation, and of course we would always want to consider that. That is something the new British railways organisation will look at.

Q51 **Chris Loder:** I am conscious of the fact that I am about to be cut off by the Chair, so, finally, will you confirm the fare rise for next year?

Grant Shapps: I cannot comment on fare rises for next year. What I can tell you is I thought it was very helpful this year for commuters that we did not do a fare rise on 1 or 2 January. I was able to announce that later in the year, but I cannot get into something that is by its very nature a spending review-type issue.

Q52 **Chris Loder:** When do you expect to know?

Grant Shapps: After the spending review.

Chris Loder: We look forward to that.

Chair: Chris, thank you so much. Ruth, public transport recovery from the pandemic and also perhaps active travel.

Ruth Cadbury: May I ask a rail question?

Chair: It is your time.

Q53 **Ruth Cadbury:** Taxpayers spent £12 billion on passenger services through the pandemic. How much support is going to be needed this financial year?

Grant Shapps: The simple answer is we do not yet know the answer to that, as per the previous discussion.

Q54 **Ruth Cadbury:** Do we know when we are going to get primary legislation?

Grant Shapps: Soon. In a future Session. I cannot pre-empt the business managers of the House, but I can tell you that to deliver Great British Railways by the end of the Parliament we will have had to have had legislation.

Q55 **Ruth Cadbury:** I am now going on to public transport in the round. At



the beginning of the pandemic, the Government's message was to avoid using public transport. Looking at the transport use statistics up until last week, road traffic is up to or even above pre-pandemic levels, whereas public transport passenger levels are significantly down. Looking back, do you think the Government's pledge to avoid using public transport was the right one?

Grant Shapps: I do not think we had a choice. We were asking people to stay at home. We had made it illegal to leave your home if it was not for one of four or five different reasons. I do not think we could do anything other than, first, back our transport system to ensure key workers could get around to hospitals—care workers and others—and, secondly, ask other people not to use it for the purposes of safety, given we were telling people to stay at home.

Q56 **Ruth Cadbury:** How many cases of Covid have been traced to the use of public transport?

Grant Shapps: It is almost impossible to construct those numbers. We know, though, from repeated surveys that the amount of Covid found on, for example, handrails and the like is extremely small. One of the great successes is the use of various different products, one of which—but I am sure there are many competitors—happens to be called Zoono. We have been using it on Network Rail, and it allows a surface to be cleaned, and for it to remain virus free for 30 days. Those measures have been tremendously successful.

Q57 **Ruth Cadbury:** Transport for London was using it even before that, I believe. We are already seeing high levels of congestion, pollution, delays—with the economic cost of that—as well as the human and health costs, so what are the Government going to do to reverse this trend and get more people back on to public transport?

Grant Shapps: That is a great question. We have 60% of national rail use compared with pre-pandemic, 75% for London buses, 70% for TfL buses, and 50% for the tube, to put the numbers on the record.

We have clearly therefore got a long way to go. We are in a transition phase because the message has gone from stay at home to people being able to go out to work, but we have said we expect that to be a gradual return through the summer and the autumn. It is very interesting to see that we are now week on week seeing higher figures. I think on rail I am right in saying that it has increased every week since May, but I should double-check the figures for the Committee. So we are seeing that return.

We have also seen the sector take initiatives, which we have backed, welcoming people back to rail, for example, and national TV advertisements that you may have seen encouraging people—Getting Back on Track and, in London, Welcome Back to London. Those things are starting to get under way as people start to return to their offices.



Q58 Ruth Cadbury: I will move on to active travel. The Minister for Cycling and Walking wrote to councils warning those who removed the active travel schemes a bit prematurely, or without evidence that they were failing, that they could lose future central Government funding. How many councils have indicated that they want to stop or remove active travel? What is your message to those councils and community activists who oppose low-traffic neighbourhoods?

Grant Shapps: We are very keen not just to go back to the world as it was before. We had huge amounts of congestion and lots of pollution even before the pandemic. The pandemic has seen an enormous increase in active travel such as the country has never seen before. We want to grip that and we do not want to lose it all. That is why we are putting a record £438 million into active travel this year alone.

That has created for local authorities and transport departments a different set of challenges from those that they had before. Sometimes they have tried something and immediately walked away from it, perhaps because they do not realise it takes a while to bed in. I think the Minister was right to make that point: you have to allow things to settle before you suddenly do a U-turn on it.

I do not have the number of authorities for you, and I can write back to the Committee on that, but I can tell you that local authorities have come forward in huge numbers to do some really great things. What is often forgotten is that, with every car you take off the road because somebody decides to walk or cycle, there is a hell of a lot more road space, and it actually helps everybody, including motorists.

Q59 Ruth Cadbury: I absolutely agree. I certainly very much welcomed the initiatives that the Government took, but, unfortunately, at least one prominent scheme in Kensington was already doubling the number of people cycling along Kensington High Street, which was clear for all to see, yet it was still removed, which was very disappointing.

You are also introducing a new agency, Active Travel England, to promote and support active travel. When is it going to begin work, and what level of resources will it have to actually deliver the shift on to cycling, walking and other active travel?

Grant Shapps: Active Travel England, which will help to set more of a national framework for the way active travel can be deployed, is part of the thing we were talking about, which is improving the capability of local authorities, some of whom have relatively little experience in this area. It goes alongside a £30 million capability fund for local authorities that we have made available from Gear Change and Gear Change: One Year On, which was the Prime Minister's document.

We are actively working on recruitment. Advertisements have gone out and I believe they are still running.



Bernadette Kelly: We are still working through the exact status of the body—the formal status and so forth—internally, but we are absolutely planning to get on with those recruitments as quickly as we can. We want this to be a substantive body, with substantive powers and resources, to really drive this agenda

Q60 **Ruth Cadbury:** I have one final question on this topic. Many of us really welcome the work that you have led through the pandemic on active travel. I welcome the fact that Highways England expects all new projects and significant works to facilitate and support active travel along and across. Could the same policy initiative be used with HS2, so that communities on and along the route can benefit from linking across the route and using a service road along it for active travel opportunities?

Grant Shapps: You mentioned the prioritisation of road users. It is worth putting on record for the Committee a very important change that took place during the summer to the highway code. We changed it so that the priority is, essentially, from the most vulnerable road user up, rather than the other way around. A cyclist would have to give way to someone on foot. A car would have to give way to a cyclist. A lorry would have to give way to a car. It was a subtle but important change to the highway code over the summer.

HS2 is a fantastic opportunity for active travel. We have miles of track, and alongside that we are developing very enthusiastically plans for very substantial cycling, walking and riding paths. The trains Minister, who also happens to be the Active Travel Minister, Chris Heaton-Harris, is working very hard on this, and he may well be interested in speaking to you on this at a later date.

Q61 **Chair:** May I ask about the funding for temporary projects for the pandemic from the active travel fund? Is there a requirement for local authorities to deliver an evaluation study before those projects can continue?

Grant Shapps: This is all now historical, but during the height of the pandemic—May 2020, if I remember correctly—we provided emergency funding. You have to remember this was a time where knowledge of coronavirus, the social distances required and, therefore, the size of the pavement, and all those things, were still largely unknowns, and authorities put in schemes.

Afterwards, we assessed them and wrote back to authorities. Many of those schemes were very good. Some were bad and those were very widely advertised. Where they were bad, frankly, we went back to those authorities and said, “You will not be eligible for more money.”

Q62 **Chair:** Let me give you an example. I visited a local school last Friday. A very dangerous lane, which no one really needed to go down apart from parents dropping off their children, got closed, which encourages more walking. Those five-year-olds have only ever known that road as a



walking road, but the local authority have reversed it because it said the school had to deliver an evaluation study, despite the fact that all the parents and the school think it is superb. It is now even more dangerous because those youngsters are not used to seeing traffic there. We hear about this all the time. How can we go back to our local authorities, which always say, "It's because the Department for Transport require us to"?

Grant Shapps: If they are blaming us, I would certainly like to know about it. Perhaps on that specific case, or any others the Committee has, we would love to hear more about it. I was going on to say that where this has been done well we have rewarded those authorities, and where it has been done badly we have withheld further funding from authorities who don't quite get it. Some of this, as I mentioned in the previous answer, is to do with a lack of capability within local authorities, because they have just not thought about active travel in this way before. That is why we are making funds and expertise—and Active Travel England will do more of this—available to them. I would love to hear about your specific case.

Q63 **Chair:** I will speak more to you and the Department. There is a wider issue, and I am sure every single Member gets this, which is that our local transport authority will say, "We'd like to make things safer but the Department for Transport regulations say it has to be absolutely safe or it can't be done." I have spoken to your officials and I do not believe that is the case. Would you consider giving guidance to local transport authorities to say, "This is the latitude you have. This is the discretion. Stop blaming us when actually you could do more"?

Bernadette Kelly: I certainly will. It frustrates me as much as anyone to hear that is the dynamic. Evaluation is a good thing, isn't it? You would expect when new things are done the local authority took responsibility for deciding whether it has had a positive or negative effect, and act accordingly. The idea that you just blame it on a supposed bureaucratic requirement of the Department is entirely wrong. I am very keen to look into that, because it is clearly not the relationship we want to build up with local authorities, and it is not how we want them to behave. Your example sounds particularly egregious.

Chair: I would like to pay credit to your officials because they helped me to bust through a previous example, but I now have this one. Apologies, I hope that is relevant to all Members. Gavin, did you want to come in on active travel?

Q64 **Gavin Newlands:** I have a very brief question because I am conscious of time.

Looking at your fine, glossy transport decarbonisation plan, you will invest £2 billion over five years on active travel measures. I query whether that is enough. You are boasting about that figure, but I am not quite sure it is enough. In Scotland, by the end of this Parliament, we will



be spending, if you aggregate it up to the UK spend for England, well over £3 billion a year on active travel. You are saying you are going to spend £2 billion over five years. Is it enough?

Grant Shapps: I would like to analyse your figures to understand that more, Mr Newlands.

Gavin Newlands: I am happy to write to you.

Grant Shapps: I look forward to you writing to me with the details so I can get my head around them. I know that in England there has never been a £2 billion spend on active travel over a Parliament, so I would be fascinated to see how Scotland has achieved £3 billion over the same time. I will study it with great interest. As I said, I know that this year alone we are spending £438 million. It is a record figure by a very, very long way. These are extremely large figures. I look forward to further analysis. Once you have sent it to me, I will write back to the Committee, if this is helpful, with the Department's analysis of your analysis.

Chair: We look forward to that. Let's move over to buses and the impact on the bus market of the pandemic.

Q65 **Grahame Morris:** I would like to pick up on a couple of earlier answers, before moving specifically on to the national bus strategy, in relation to transport workers' pay. I want to thank you, Secretary of State, for your fulsome praise of the efforts and contributions of transport workers, both bus and rail workers, during the course of the pandemic.

I want to put a question to you and ask your opinion in relation to the Department's advice to rail operators, in particular, for a pay freeze in this coming period. I was rather alarmed to read that one provider, First Group, recently paid out an eye-watering £500 million in dividends to shareholders at the same time as the workers who staff this service are facing a pay freeze and an increase in national insurance contributions.

I also want to go back to your first answer when you talked about the possibilities with lorry drivers. You mentioned a particular company. In my area, I am terribly dissatisfied with Northern Rail's service to my constituency, but one of the reasons it gives is recruitment issues and being able to get the necessary staff—staff shortages. Surely a pay freeze in these circumstances is counterproductive. I just wondered what your views were.

Grant Shapps: First, you are absolutely right to highlight the gratitude of us all to transport workers through this pandemic. They have been absolute linchpins to the country's ability to get through the crisis, and I hope you will agree that in return we supported them, not least by the £12 billion we have discussed in support for the rail sector, without which those jobs would not have been sustainable. There is no other way in which the railway workers could have continued to be paid had the Government not stepped in.



Obviously, we are in a recovery process, and this is a matter for the Chancellor, but he has imposed a public sector pay freeze across the board, with the exception of the NHS—doctors and nurses. I think most people understand that. I have found in my own conversations with rail workers mostly they are pretty grateful to have jobs on the other side of this pandemic, and they understand the need for a period of restraint, which we hope will be short.

Q66 **Grahame Morris:** I do not disagree with that, but the inequitable part, if that is the right term, is the fact that First Group, and others, seem to be paying—when they have benefited considerably from public funds of £12 billion—large sums in dividends to shareholders at the same time as transport workers face a pay freeze and an increase in NI contributions. That does not seem fair to me and many other people. What is your view on that?

Grant Shapps: I do not know the specifics of that case, but I know that some of these groups are very large international organisations that will have earnings from very many different areas. Unless the permanent secretary has any further detail, I am happy to write back with some further details.

On the wider point about the quality of service and the amount of people coming forward, you rightly mention the extent to which there is competition for jobs. We obviously need to ensure that we have the workforce available to do the job. I hear comments in particular about Northern because, effectively, we run Northern. We have had some successes. There are no more Pacers running anywhere on the Northern network, which is great news.

Q67 **Grahame Morris:** I must talk to you about this outside the Committee when we have the time.

Grant Shapps: Some of the other things—and this is probably slightly wider than your question—are things like the Manchester corridor, which we are working very hard to fix.

Overall, we are very, very keen that we have a happy workforce. I hope the transition to Great British Railways will help with this and create a great sense of pride in the network. I hope that you and the Committee will agree that we have put a huge amount of taxpayers' money into supporting their jobs, and, thankfully, they still have them. There are 1.6 million people who are not in the fortunate position of being public sector workers, who have been on furlough, not on 100% salary, and those 1.6 million people will come off furlough this month. Those people coming off may well release people into other jobs, including rail and HGV, for example.

Q68 **Grahame Morris:** My slot is about the national bus strategy and in particular Building Back Better. Even before the pandemic, there was an attempt to reverse the decline in bus use outside of London. I am sure



you are aware of my EDM 382, which is gathering signatures apace—dozens of signatures as we speak. It covers an issue that we have raised previously in the Committee with you, Secretary of State: the work that we are all doing with our respective local authorities. Are the local authorities on track in respect of the timetable to establish these partnership arrangements? You may recall that a number of us raised issues about the lack of capacity. Local authorities have faced huge cuts and the skilled staff with the expertise to put together such partnership were lacking. Some moneys were made available to allow that to happen. What is your view on where we stand?

Grant Shapps: I bring you and the Committee good news.

Grahame Morris: Tidings of great joy.

Grant Shapps: I do. Every local transport authority in England outside London has notified us of its intention to have either an enhanced partnership or a franchising arrangement. The numbers are: 74 local transport authorities have said that they want enhanced partnerships; two have said they want franchising; and three have said they intend to pursue both. They all need, as regards your timely question, to produce a bus services improvement plan for 31 October. They are all on track to do that. As you hinted, we provided £25 million—money, investment and expertise to help them produce those plans on time. Yes, at the moment the bus plan is running on time.

Grahame Morris: The buses are on time. That is good news.

Karl McCartney: Music to your ears, Grahame.

Q69 **Grahame Morris:** I'll do the funnies, Karl.

May I press you a little further in relation to the £3 billion identified in the strategy? What proportion of that is likely to go on bus priority measures? The previous Committee visited a number of cities, including Bristol, and looked at the measures on priority lanes and so on. What proportion do you anticipate will go on measures such as bus lanes, and what proportion on supporting the infrastructure on timetable?

May I come back to the issue of electric buses? You might recall you had an acrimonious exchange with my colleague, Sam Tarry, about the Prime Minister's pledge for 4,000 zero-emission buses. Can you give us any clarification on the current position there?

Grant Shapps: I can. I did not bring it with me, but I wrote back to Sam and placed a copy of the letter in the Library, I think, for further transparency on the 4,000 buses claim. It turns out that what I said to him at the Dispatch Box was absolutely right. There are 900 on the roads or that have been commissioned already. We are on track for 4,000 zero-emission buses by the end of the Parliament. I will send the Committee a copy of the very detailed letter I wrote to him on the subject.



With reference to what proportion of the £3 billion will be used, for example, for bus priority lanes and the like, it is probably better if I write back to the Committee with the detail on that. The expenditure covers a wide range of different projects, including those 4,000 buses, and an all-electric bus town, which is actually an all-electric bus city, Coventry, and much else besides. Your overall desire, which we absolutely share—I think that this is probably what EDM 382 is largely about—but I must check my details—

Grahame Morris: Tacit support from the—*[Inaudible.]*

Grant Shapps: The concept that we should have a London-style bus service everywhere is one that we very strongly approve of, and that is what we are trying to achieve.

Q70 **Grahame Morris:** In moving down that route—excuse the pun—what proportion of the £3 billion do you anticipate will be used to encourage better bus usage through incentive schemes? There is a great disparity between the fares we pay in Durham, for example, and the fares in London. What measures are being taken to improve bus usage? You mentioned the TV commercials for rail. Is there anything similar planned?

Grant Shapps: The good thing about the recovery of buses is that they have been running a little bit ahead of trains. For example, TfL, 70% bus use, non-TfL outside London, 75%, so buses are coming back faster in the rest of the country at 75%, significantly ahead of rail. Again, if it would help you and the Committee, I can write back with more detail on how the money will be spent. Some of it is yet to be outlined so I won't be able to give complete chapter and verse, but our ambitions are substantial, as is the £3 billion. It is a sum that has never been spent, certainly in my living memory, on buses.

Q71 **Chair:** We have a few more minutes. Karl McCartney and I are both interested in the mandatory requirement in the bus service improvement plan to consult MPs. I do not know how many MPs here have been consulted. Are you concerned at the lack of engagement, and that local transport authorities will just engage with the bus service operators rather than the community and indeed their MPs?

Grant Shapps: Thank you for mentioning it. I am a massive advocate of bringing MPs in on everything to do with the way local areas are run. It is one of the reasons why, and I cannot think of a comparator, when we came up with the Beeching reversal fund I insisted it had to have the support of and active leadership from Members of Parliament. In fact, one or two local authorities applied and we sent their applications back to them saying, "There's nothing from your MP here; you can't apply," and they missed out. I did that because, fundamentally, I believe as the seat of power and mother of Parliaments, we must be, as Members of Parliament, absolutely at the heart of what happens in our communities. I am very grateful to you for raising this. I do not specifically know what proportion of MPs feel they have been consulted, but I will intervene to



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ensure that, when we get those bus strategies in, there is clear support from MPs, or at least a clear indication that MPs have been part of the process.

Q72 **Chair:** I know the wording in that document and it says it is a mandatory requirement. On that basis, I assume there will be some way for the Department to know whether the MPs have or have not been part of the process, not just, "Here is the document," but actually part of the process.

Grant Shapps: We will absolutely make sure that is at the centre of this.

Q73 **Karl McCartney:** My supplementary has really been answered, but just to be clear: the deadline is by when?

Grant Shapps: By 31 October.

Q74 **Karl McCartney:** And both of you, or just you, Secretary of State, will be looking to each one of those authorities clearly to state they have consulted with their MP.

Grant Shapps: I hereby give the command in the presence of the permanent secretary.

Q75 **Karl McCartney:** A quick straw poll round the table, Secretary of State, might give you an indication of how many of us have been contacted by them. Put your hand up if you have been contacted by them.

Grahame Morris: I have.

Karl McCartney: There is always an exception to the rule.

Chair: I had to chase mine to make contact and also to engage with the community. That is what causes me worry.

Grant Shapps: The Committee can be reassured that we will absolutely ensure that that mandatory requirement in the specification is taken up.

Bernadette Kelly: I think we should take steps now rather than wait for these to come in on 31 October and then do the checking process. We will take that away.

Q76 **Chair:** Otherwise they will be rejected because the mandatory element has not been complied with.

Grant Shapps: The Committee will have its way.

Q77 **Chair:** Good, super. Would you care to mention the two local transport authorities that have bid for franchises?

Grant Shapps: I do not know the answer to the question, unless the permanent secretary does.



Bernadette Kelly: I think I know the answer to one, but rather than give you potentially misleading information, let me give you accurate information outside the Committee.

Chair: Perhaps also the ones that have applied for both. That would be great.

Q78 **Chris Loder:** I want to ask very briefly about bus subsidies in respect of 16 to 18 travel. My understanding, if my maths is correct, is that TfL receives a central Government subsidy equivalent to £46 per person and in Dorset it is £4 and the oddsies. In London, children who go to school at sixth form do not have to pay as a result of that, but in Dorset and across certainly rural England—I am not sure whether it is fair to say the same for other cities—it is not just that they have to pay; they cannot actually access it.

Why do central Government subsidise TfL and not the rest of the country? Are there any measures or steps to help us with this growing and very difficult issue for many of us in very rural constituencies?

Grant Shapps: The Committee will be aware that I represent a constituency just outside London, just outside the M25, and my kids have therefore travelled to school on the trains and overground service for years without enjoying the same subsidy—

Q79 **Chris Loder:** We only have a three-hourly service in West Dorset, Secretary of State, so it is not possible, I am afraid.

Grant Shapps: My point being that I rather sympathise with this, as the permanent secretary knows. You will also be aware that we have now negotiated several rounds of support for TfL—necessary support, largely because of coronavirus, but not in its entirety. I detect some playing to the gallery, non-fare rising opportunism in London that meant that this accusation had some weight, which is: why does the taxpayer appear to be subsidising services that are not available to the rest of the country?

In my settlements with the London Mayor and TfL, I required at each stage that we do not any longer subsidise elements of transport that are not available to the rest of us. If the Mayor wants to continue to provide those additional benefits, he has to find money for that from elsewhere, and that is exactly what has happened. I cannot instantly transform West Dorset, and I am not sure it would be a good idea, into a place where a train turns up every two minutes and there is an underground at every location.

Chris Loder: It would have to be more than every three hours, Secretary of State.

Grant Shapps: I am sure we can do better than every three hours, as you say. I can ensure that this is much fairer across the country, and I have endeavoured to do that through these settlements.



Q80 Chris Loder: I have children who cannot get to school, regrettably, who want to go to sixth form to learn to do more things, and they cannot. Do the Government have any plans whatsoever to help the 16 to 18 age bracket outside of London, and particularly in very, very rural areas, where I am afraid it is just not feasible for an alternative?

Grant Shapps: There are two answers. One is on the bus strategy for very, very rural areas. This is why we have this £3 billion and is why we are asking each area to develop individual plans. I have seen parts of the country where they have done some really innovative things with the buses. I cite Liverpool in this case, which has managed to increase massively young teenager travel by bus—I think doubling it, if I am not mistaken—by being wise with the approach to pricing and the way they incentivise people to come on board.

When it comes to train services, and I know because my kids are in this age bracket, things like the travel card we introduced for young teenagers have been very, very popular—in the Shapps household a further one has just been purchased—which allows heavily discounted travel by train. Again, the train service has to be there, as no doubt you are about to point out.

Q81 Chris Loder: It sounds wonderful and I think there is some great news there, but I really want to know specifically about very rural areas, where there is literally no alternative, and it is now preventing young people from furthering their education.

Grant Shapps: I do not have instant answers for you, but through the bus strategy, through the work that your local authority is doing and through the work it will mandatorily need to consult you on, I know you will be making that point directly. I know as a Department we will be looking for those answers in the strategy, the bus improvement plan, that comes back from your area.

Q82 Chair: I have one question on TfL. The funding is due to roll until 11 December of this year. There is a requirement for TfL to deliver savings and/or new income of £300 million in the year 2021-22 and to find additional income sources of between £500 million and £1 billion by 2023. How is TfL doing in coming up with its share of the cost?

Grant Shapps: TfL management is working hard on this. I saw Andy Byford, the commissioner, on Monday of this week. They know they have a series of deadlines leading up to 11 December, the new deal, and they will have a lot to do. It is very stretching. I should say that I saw Andy at the opening of two new stations—the first new stations on the underground this century—at Nine Elms and Battersea. Neither station would have happened without an earlier agreement with the previous Mayor, where the Government decided to provide an approach to later receipts to help get that entire project unlocked with tens of thousands of homes and jobs. I should say that is a good example of working with City Hall and indeed the current Mayor to see that project completed.



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I think TfL understands the scale of the challenge, which is huge. A lot of work is required to get to a sustainable footing for TfL, which we want to see done by 2023. They have their work cut out, but we are working constructively with them.

Chair: I came past Nine Elms tube on the bus, just to show the bus is available as well as tube.

You have touched on the spending review. It is going to provide lots of the answers. We have some questions on it.

Q83 **Greg Smith:** Earlier in the session we heard there are a lot of unknowns about what subsidy will be required for railways, buses and other public transport still linked to the pandemic, but we have some estimates from the OBR, which is normally pretty reliable on these things. It says around £3 billion could be required in the 2022-23 year. The spending review is upon us. We know that the Treasury has a £400 billion debt as a result of Covid measures. All Government Departments, perhaps not DHSC, are going to have to take some pain in the spending review. What are the savings that you are offering up as a Department?

Grant Shapps: I hope the Committee will understand that I would prefer not to negotiate my position with the Treasury entirely in public. Having said that, I do not think it is a surprise to the Committee that this Department is considered central to the levelling-up agenda, and we cannot do that without building the infrastructure the country needs and connecting communities together.

Again, without revealing too many confidences, from my conversation with the Prime Minister as recently as last week when he reappointed me, it is very clear that this leads the Government's agenda. We will wait until the spending review outcome, which I think is on 27 October, the same day as the Budget, to confirm all the detail, but, needless to say, we will want to ensure that we carry on our plans. Part of the mystery of this is removed by the fact that we were one of the very few Departments to receive multi-year funding last year on five key project areas. We got multi-year settlements on high-speed rail, RIS2 and work on low-emission vehicles, among other areas.

Q84 **Greg Smith:** I appreciate that answer and I do not expect you to negotiate with the Treasury in public, but where can efficiencies be made? Moving away from the levelling-up agenda—we might come on to the railway, on which you and I disagree, shortly—within the day-to-day workings of the Department is there an active plan to reduce expenditure? By what proportion of the Department's overall spend do you think you could flex?

Grant Shapps: It might help the Committee if I mention—I will invite the permanent secretary in as well—that recently I have ordered a review of all our arm's length bodies, of which many are quite substantial: HS2 National Highways, Network Rail, for example. I have worked very hard



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to look at what their efficiencies can be and how we can get more for less, essentially.

The pandemic has taught us all some lessons. Sometimes you just do not need to go somewhere to have that meeting and make a decision. That means you can do things more efficiently and you can get more out. Technology is a very big part of that.

Sometimes we do not need the estate we hold. DFT and its arm's length bodies have large amounts of property and employ a lot of people—20,000 in that railway you do not like—alone. It is building and construction—high-tech, high-quality jobs. We do not necessarily need all the offices we thought we needed, so there are savings we have been able to extract. I might ask the permanent secretary to respond.

Bernadette Kelly: Particularly for our ALBs, Network Rail and National Highways, in particular, already have quite significant efficiency savings baked into their regulatory settlements. Those would be a minimum that we would be looking at.

Network Rail has gone beyond that, and we have already identified further efficiency savings of several hundred million. We will certainly be starting our negotiations with the Treasury by producing robust efficiency plans, which demonstrate that we are driving productivity and value with minimum detriment, as it were, to what we are able to invest and the service levels that we are able to support. That is always the starting point. I am sure that will not be the end point of the Treasury's negotiation, but clearly, from a taxpayer perspective, that is the most important thing we need to do.

Q85 **Greg Smith:** In terms of the estate that the Department holds, by what proportion—and I am not expecting a precise square footage—what, ballpark, are you trying to see that reduced by?

Bernadette Kelly: I was going to say, as you can imagine, that the Department can be defined in very many different ways, and within the central Department, of course, we have given up quite a lot of the estate we had in London. We now have only one building. These are natural steps we have been taking during Covid to reduce costs and reduce overheads given the different pattern of working that we are now in and that we expect for the future. There are bigger opportunities for sure out there. If you look at the Network Rail estate, and so on, clearly that is much more significant.

There has already been a programme—over some years, of course—to ensure that we are getting the value of that estate, and it is supporting housing and development, for example: another ambition that the Government have. Those plans are an important part of this as well.

I am not going to give you a percentage or proportion, but I would want to reassure you that this is a constant area where we are working with



our ALBs to improve our cost base, efficiency and productivity right across the operation.

Grant Shapps: There is an addendum to that, which is that we are moving everything out of London—sorry, not everything out. We are working towards people working across the country, so Leeds and Birmingham in our case. A lot of our arm's length bodies are in Swansea, Hastings and many other locations. I am also keen to have the energy that comes from people working in an office. I do not want to turf everybody out and send everyone home.

I have some interesting figures for the Committee. Since 19 July, 2,573 individuals, or 71% of our workforce, have come into the office. In the most recent week for which I have figures, 1,397 members of staff attended our offices. People like to come into our offices. They want to work together and get that spark that you only get when you are sitting in a room with people rather than over Zoom. I do not want to close everything down, but I think it is probably fair to describe our estate as becoming better spread across the country in smaller pockets rather than in one large location.

Q86 **Greg Smith:** I agree that people are better working together than spread out. If we look at this point about how best to use the whole estate that the DFT owns or an arm's length body operates, culturally within Government it is generally the case, and has been over many decades if not centuries, that the first question is, "How much more money can we get out of the Treasury to meet spending?" How baked in to the approach of the Department is it that in order to spend more money, if spending more money is deemed the right thing to do, the first point should be some of the things mentioned just now, such as how much more value can be extracted from a brownfield development as part of a railway station site? I have been involved in projects in the past where an entire theatre was rebuilt by putting 10 storeys of flats above it. Is that culturally baked into the process, or is it still a default position within the Department to go to the Treasury for more?

Grant Shapps: I will hand this over to the permanent secretary in a second, but I want to go back to the example in London of phenomenal redevelopment. I am sure Committee members have seen it, been there, passed it on the bus. What has happened at Nine Elms and Battersea is incredible. In a capital city thought to have already been full, we have built 30,000 homes and produced 25,000 jobs. It is a city within a city.

I remember 10 years ago when I was Housing Minister struggling over how to get that regeneration under way, and, of course, transport was absolutely at the heart of it. Once we got a Government commitment in that deal between the Mayor and the then Chancellor to make the investment in the stations, everything else came together. We got the inward investments of billions of pounds. I think £9 billion has gone into that investment now. It is a mega example of the extra few floors on a project.



I intuitively understand from the other side of the fence as Housing Minister how important transport is to unlocking redevelopment and regeneration. In my view, it is absolutely central to it. You can do wonderful things and create amazing communities if you can just unlock the transport element of it. That is my rather wider answer.

Bernadette Kelly: I am bound to say, aren't I, that it absolutely is not the default that we go to the Treasury every time we think of something we can spend money on? We always look to our own resources to see where the opportunities are to find offsetting savings and efficiencies, to support the activities that we want to carry out.

I will take Network Rail as an example. It has been on quite an interesting transformation over the last few years. It is true that during CP5 it was pretty much routinely missing its efficiency targets as set by the regulator, by a significant margin. I sat in front of the PAC recently with the chief executive of the ORR, where he spoke very positively about the progress that Network Rail is making in achieving the efficiency targets the regulator has set. That is exactly the kind of change that we want to inculcate, and it is happening right across the ALBs. It is just one example, but I think quite an important one. That said, there is always further to go. We are a vast Department if you look at us with all of our agencies as well. There will always be more we can do in this space.

Q87 **Greg Smith:** Secretary of State, you said in answer to a previous question, "I am a believer in the market," and that is music to my ears. We are at one on that. Whether it is the road building programme, the Beeching reversals, or the dreaded HS2, how are market forces baked much better into those transport projects to hold them to account for decisions that I think we would all want taken? I give the example that the hybrid Act gives HS2 until next February to take phase 1 land, and it is basically taking everything it can get hold of along the line of route, whether it needs it or not. How do we bake better commerciality and market forces into the way these projects are delivered?

Grant Shapps: I think the Network Rail example is a very good place to start. During the previous spending period, CP5, as the permanent secretary says, was missing targets, and it was getting constantly criticised by the PAC and others. It recognised the problem, brought in new leadership, and in the current period, which we are now substantially into, CP6, it is hitting its targets and delivering projects much more efficiently. I have noticed in my time in the Department that when it takes possession of track, for example, I thought at first it was missing the hand-back date, and perhaps it is because of the pandemic and there have been fewer people on the railways. But I have not experienced those problems for some time, and I think it is a lot to do with the way it approaches the project.

You ask about how you integrate the private sector. My best example is the A14. I love the A14. They built the A14 eight months ahead of schedule and under cost. That is an incredible delivery. The reason they



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did that is they got the private sector into the room and did not make it a separate thing with the arm's length body—Highways England as it was at the time—orchestrating this project. They had groups of people who were genuinely working together to deliver.

I am a massive enthusiast for competition. You do not go back to just the usual suspects every time. You make it as wide as possible. When you have chosen your partners, you bring them in to ensure they deliver on time, as with the A14.

I go even wider than your question because I asked the question: why are we sticking with monopolies in all sorts of areas? Why do we allow only one agency to test our HGV drivers, or our drivers, the DVSA? In aviation, we do not have only one agency testing pilots, and we trust pilots to fly us around the world. In fact, we do not have an agency doing it at all. There could be different ways to construct services using the market competition. We have not seen the end of that yet.

Q88 **Greg Smith:** Briefly on that, the A14 is a great example, but HS2 is ballooning in cost, even by the conservative figures of £106 billion, and is a long way from where we were. Lord Berkeley's figures are north of £160 billion. The A14 is a great example, but we have this £100 billion-plus project that is out of control.

Grant Shapps: Look, I came in sharing a lot of your scepticism. We do not have to go back over Oakervee and the decision to go ahead and all the rest of it. I have to say that since we have had a dedicated HS2 Minister in Andrew Stephenson, and since we have committed to and delivered six-monthly reports to Parliament, even the PAC, which I think reported on it yesterday, recognises there is better command and control than there was, and we are being completely transparent with the figures.

I thought what was completely unacceptable in the period before I was in the role was that you could not really tell what the heck was happening inside. Now you can, because these numbers are published.

I have to say, and I do not want to overstate the enthusiasm on this, it is getting on with the job—20,000 people, including a lot of apprentices, whom I have met now when I have been to places like Old Oak Common, working in HS2. The tunnelling is going very well and, dare I say it, is perhaps even a fraction ahead of schedule. I have probably jinxed it now. This old story of what was happening with HS2 is changing with Old Oak Common, what is happening at Curzon Street, and lines and tunnels actually being built. I think we have moved on from some of those bad old days of the project.

Chair: I am going to interrupt it there. I am sorry, Greg, but this Committee is more A303 than the A14 in our timing. Simon, we were due to end this part at 11 o'clock, but you were coming in on the spending review and I want to bring in Robert Langan on HS2.



Q89 **Simon Jupp:** It is much appreciated and we will touch on the A303 a bit later.

Did I hear you right that you have a multi-year funding settlement for your Department?

Grant Shapps: We have a multi-year funding settlement on five separate infrastructure areas, which represents about £15 billion of CDEL capital funding for this financial year, on top of the other one-year spending, and gives us some projection for the years going ahead.

Q90 **Simon Jupp:** That gives your Department some certainty. That certainty would be welcome in local government, which of course has to sort out roads and fill potholes and a whole host of other issues that it faces on a yearly basis. Funding for local authorities fluctuates quite drastically year on year. I will use Devon as an example, if I may—£76 million two years ago, then £54 million and £54 million this year. Is there any idea that, ahead of the CSR, a multi-year funding agreement could be reached between the Treasury and local authorities so that they have certainty to plan ahead?

Grant Shapps: In fairness to the Treasury, with coronavirus it was unable to do what it thought would be a settlement for the entire Parliament. With the exception of some of these capital projects that I mentioned, which by necessity required multi-year funding because otherwise you could not lay the contracts for them, it did a single year. I think we can look forward to a degree more certainty: a less bumpy ride, to use your pothole language, because this is a multi-year spending review.

Q91 **Simon Jupp:** Just briefly, we touched earlier on levelling up. Clearly, the pinch point fund, which an awful lot of local authorities put in for, was folded into the levelling-up fund. How are you making sure that, as part of the levelling-up fund and your priorities as Secretary of State for Transport, transport plays a really important part? What you do not want to lose is those projects that can transform communities just because the levelling-up fund is a swathe of different things.

Grant Shapps: I think this really goes back to the examples I was using before about my experience of being a Housing Minister and, of course, Transport Secretary in more recent times: I see how transport unlocks everything else. It is the key to the house, if you like—the key to regeneration. I think that well-thought-out, intelligent applications to the levelling-up fund will doubtless be in many cases centred around unlocking the transport elements of it, and I hope that is the way this pans out.

Simon Jupp: I will not bang on about my levelling-up fund bid. I will hand back to the Chair.

Chair: Good plug.



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We touched on HS2. The Committee reviews the performance and delivery of HS2 every six months, including going along the line of route. Robert Largan has some questions around the phase 2b eastern leg.

Q92 **Robert Largan:** Good morning. Let's just start with when we can expect a phase 2b Bill.

Grant Shapps: We are expecting a phase 2b west Bill around the end of this year/beginning of next year. The details of the Bill are being finalised and there are then the various legal processes that Andrew Stephenson has to lead it through before he can lay the Bill. I think that is correct in terms of timing.

Bernadette Kelly: That is correct.

Q93 **Robert Largan:** Are the Government still committed to delivering HS2 in full, including the eastern leg?

Grant Shapps: We want to ensure that the benefits of the eastern leg to the east are delivered. As the Prime Minister said at the Dispatch Box, it is not a question of "to be or not to be" east. The question is how we can deliver the benefits, in the best possible way, to the most communities, and as fast as possible.

One thing that has troubled me since coming into this job is that the timetables for some of this delivery will, I am afraid to say, probably be well after most of our political careers are ended. What I have been looking for through the integrated rail plan is how we can deliver some of these benefits up to Leeds and everywhere in between quicker. That is what we have been working on.

Q94 **Robert Largan:** Let me try to ask it slightly differently. Can the full benefits of that project, Northern Powerhouse Rail or HS3, whatever you want to call it, be delivered without the eastern leg of HS2?

Grant Shapps: Whatever you want to call it is interesting because the integrated rail plan is the Northern Powerhouse Rail, or HS3 as it used to be called; it is the eastern leg of HS2; it is the midlands rail hub. It is lots of different things, in other words. What we realised we needed to do, and Oakervee recommended that we did, was to have a look at this in its entirety, work out how to construct it, and do so in a manner that benefited people quicker than the original plans 15 years ago simply to build that eastern leg.

Our commitment is absolutely unbending in providing the benefits of all that and knitting the whole thing together. It will not be too long before we are able to say more about that with the integrated rail plan. I think the plans will be exciting. I think they will deliver many benefits, sooner, to lots of communities. I think they will be broadly warmly welcomed.

Q95 **Robert Largan:** I completely agree with you on the importance of delivering all that. Would it be accurate to say that the eastern leg of



HS2b strengthens the business case for Northern Powerhouse Rail?

Grant Shapps: The whole thing slots together. Northern Powerhouse Rail works if you can get from the midlands. Northern Powerhouse Rail works if you can get across the Pennines. Northern Powerhouse Rail requires lots of investment in lots of different parts of the network. The more I look at it, the more right it is to take the view that you cannot just complete the trans-Pennine route plus upgrade, if you like, and ignore what happens at Leeds. You cannot do that. You have to put the whole thing together.

I wanted to make the point that we have not been waiting for the outcome. Occasionally people say, "Surely the outcome of the integrated rail review is somehow stopping you getting on with connecting Manchester and Leeds faster," or whatever, and you can choose your element. That is not true. We have put £1.3 billion into the TRU—trans-Pennine route upgrade—already. That is one example and there are many others. We have been doing lots of those things, but we want that overall vision that describes how rail works on the west or the east, across the middle and across the top, and that is what we are working on.

Q96 **Robert Largan:** Indeed, one of those things you are doing is the upgrades to the Manchester-Sheffield line that runs through my constituency.

Grant Shapps: Yes, indeed.

Robert Largan: I am very happy that construction is due to start shortly.

Grant Shapps: It is a very good example of stuff we are just getting on with. There is the Hope Valley line and very many others.

Q97 **Robert Largan:** To take us back west slightly, we cannot just ignore what is happening at, say, Leeds, but, looking to the western leg, it will be very useful to know where the Department is and where the work is on upgrading Manchester Piccadilly station and the extra platforms there as part of 2b and as part of Northern Powerhouse Rail.

Grant Shapps: It is also very, very important work. The Greater Manchester Combined Authority and the Mayor have some decisions they need to make. We are working with them, for example, to ensure we can commit to building the connection to the airport and what happens in Piccadilly itself. I am in regular communication with the teams up there, speaking to the Mayor and others. It is all absolutely part of the network. In fact, I am speaking to the Mayor later today on exactly this subject.

Q98 **Greg Smith:** On this point, and I will keep it very brief, if in the planning for 2b, or the golden spur, the return for the taxpayer pound is under a pound, would it still be acceptable to go ahead with it?



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Grant Shapps: With HS2, I hope at this stage we can all agree, post Oakervee, that it is a thing; it is a reality. It is physically being built. There are 20,000 workers working on it. There is no going back.

I think the other thing we can agree on is that railways, unless the Department for Transport invents teleportation, are here for keeps. They do not just run for 60 years, which is how the cost-benefit is calculated traditionally. The west coast main line has been around for 150 years, as has the east coast main line. We have not been building north-south railway lines in a substantial way for a long time. The benefit to generations ahead of ours will last, unless some new technology comes about, for a very, very long time.

Of course, what would be completely mad would be to build a railway from London to Crewe and to stop there, just short of Manchester, and not servicing the rest of the north. I cannot see how any cost-benefit analysis in any scenario would make that worth while, which is why we intend to bring forward the west 2b Bill to finish off that bit, and, as I say, I will be talking more about the eastern leg when it comes to the IRP.

Q99 **Chair:** I want to ask a question on behalf of those who struggle because of disability to access the transport system. The Government's national disability strategy is committed to deliver progress on several key transport initiatives by the end of the year. The Disability Rights UK chief executive is reported to have said that there are scant plans and timescales on delivery. I wondered whether you had an update for the Committee.

Grant Shapps: First, on the big picture part of it, I absolutely and passionately believe that public transport should be for everybody, including people with disability. It should not even need saying.

It is one of the legacies of having a Victorian system. We were talking about railways built 150 years ago. It is literally a legacy of being the first country to invent rail that so many of our Victorian stations put no consideration at all on accessibility for people with disability. The Victorians were brilliant at many things, but thinking about people with difficulty accessing the system was not one of them.

There are a number of different things going on. I will mention, for example, that the Williams-Shapps plan for rail, the White Paper, puts at its heart rail accessibility. Rather than it being an add-on, we are requiring it in the design of new railways, and we are requiring it as a statutory duty on Great British Railways in the way in which it goes about its business. Improving accessibility will be a legal duty of Great British Railways.

There are many other things I can talk about like the national accessibility strategies and campaigns that we are running, including It's Everyone's Journey, which ran very successfully from February 2020. I



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probably should not say this, but I have just signed off more of it. It is to help bring people with disabilities back on to the railways and to make the railways more accessible. There is more funding going into it as well. There are many different ways in which I work on this. I am a huge advocate for it, as is the accessibility Minister, Chris Heaton-Harris.

Q100 **Chair:** Perhaps you could write to us with, "This is what we are looking to do across the transport sector by these timescales."

Grant Shapps: I would be delighted to.

Bernadette Kelly: We are happy to do that. We have been publishing summary documents on progress against our inclusive transport strategy commitments, but we are happy to roll that forward into what we expect to do and by what time.

Chair: Thank you so much. We want to talk about the transport decarbonisation plan, which is the last part of our brief.

Q101 **Gavin Newlands:** You have claimed that the plan is not about stopping people doing things; it is about doing the same things differently. In five years, when this plan is reviewed, what would change your mind?

Grant Shapps: Look, sometimes people have a Maoist view of transport—the famous view that somehow we will have to restrict the population if we are going to survive, whereas, actually, I think what we have learnt over the years is that as we do things more wisely, as we grow more food, and so on and so forth, and as we technologically advance, the Earth has been capable of sustaining its 7.5 billion population.

The same is true when it comes to transport. The idea that the answer to decarbonising is to stop people going about their business, seeing their loved ones, meeting up with friends and family, going about business by moving around is, I think, for the birds. I just do not understand why anyone would ever want to put that front and centre of their transport policy. I am all about decarbonising transport while enabling people to go about their business. I believe that in the 21st century, with the technologies that we have, and that we are developing, this is within our grasp.

Q102 **Gavin Newlands:** I tend to agree and I hope you are right on that basis. If transport emissions were not falling fast enough, would you look to, for example, restrict the right to fly or perhaps the use of internal combustion engine vehicles? Would you roll that out, or could you not?

Grant Shapps: What I would do is redouble our efforts. Transport accounts for about 30% of our CO₂ in this country. Some 90% of that comes from road vehicles—most of it from cars and vans—and we already have the solutions. We have the electric car. We may end up with more hydrogen perhaps in cars and almost certainly in larger vehicles.



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We do not have to invent this stuff; we have got it. That is a large chunk of it.

There are much harder areas to resolve like aviation where we are going to have to work hard. On Monday I am going to see an aircraft that is about to be converted into a passenger aircraft with 20 seats. This is a fantastic, British Government-backed project. No other country in the world is doing it.

When people say in 2021 that by 2050 we can't decarbonise our transport system, I just do not believe it. I think we can. In five years' time, if we are not on track, we will have to redouble our efforts and work even harder, but I see no good reason why technology can't provide the solutions. There are sometimes shifts in patterns like the active transport we have talked about, but it is not in a coercive way but because people want to; we have made it a pleasant environment to get around on foot or by bike. These will be the solutions in technology.

Gavin Newlands: Presumably you are talking about ZeroAvia.

Grant Shapps: Yes, exactly.

Q103 **Gavin Newlands:** I look forward to seeing that myself. Given your answers, I have to ask: are you prepared to make the difficult or unpopular decisions, if necessary, to ensure that the transport sector plays its part, notwithstanding the answers you have given?

Grant Shapps: I think you have to be clear-eyed about all of this and you have to accept that there are lots of challenges along the way. To give you an example in cars, it is a fact that at the moment they are more expensive when they are electric. However, it is also a fact, and I say this as an electric car driver, that over the period you own the car those costs come largely back into equilibrium, and pretty soon it will be far more cost-effective to drive an electric car. I have had my car for over two years and it has never gone for a service. It has no service schedule. It does not need oil or petrol. It costs £7 to drive from London to Manchester. The advantages speak for themselves.

Rather than punishing people for going down this route, we should be focused on the advantages in the medium and long term, and on the jobs that it creates in high-tech industries and sectors. Britain is taking a lead in this. We are doing that impressively. I think the transport decarbonisation plan is the only such plan in the world at the moment to commit to these different actions and steps to decarbonise. If we follow it, we will get the jobs advantage that we will be able to export to the world.

Gavin Newlands: I am not entirely sure if that was a yes or no.

Grant Shapps: What was the question?

Q104 **Gavin Newlands:** I take your point about electric cars—I drive an



electric car myself—but people have to be able to afford them in the first place.

Grant Shapps: Yes, but most people buy their cars on PCP and then they have the cost of ownership over a month, which is the cost of paying your lease, filling up with petrol, vehicle excise duty and servicing. Servicing, excise duty and petrol do not exist when it comes to electric cars. The annual cost is much closer. I know you are an advocate so I am telling you things you already know, but we need to get that message out there.

Gavin Newlands: And obviously if you are up in Scotland you would have access to an interest-free car loan as well, Secretary of State.

Robert Largan: That is where the money goes.

Q105 **Gavin Newlands:** That is where our money goes. If you were to tick every box on this plan, there must be a ballpark figure in the DFT on how much it will cost to deliver.

Grant Shapps: I will turn to the permanent secretary on that.

Bernadette Kelly: Some of our plans are out there. There are things like the £1.3 billion we are investing in EVs, infrastructure and so forth. You will not be surprised that at least some of the things that we might do are the subject of our spending review negotiations with the Treasury. Obviously, we cannot disclose that, but there are always choices about where you can do more investment, where you can support more R&D. I hope some of this will be clearer at the end of that process.

Q106 **Gavin Newlands:** Given you have just brought it up, what do you need in this spending review to make credible progress on decarbonisation in the next two or three years?

Grant Shapps: When we were writing the transport decarbonisation plan, what was really obvious to us was that it is a whole-nation effort—or nations efforts. A lot of it is about what we need. Actually, we need to debunk a lot of myths about this stuff. It is the conversation we have just been having. We need to address range anxiety. I know you are going to mention that in Scotland you have a lot of rapid chargers, which is true. In the UK as a whole we have more rapid chargers per 100 miles of major road network than any other country in Europe. It is important people know this. So, part of it is that.

Part of it is of course money and the way you shape the overall economy. The Prime Minister has taken the lead with his 10-point decarbonisation plan. Ministers are therefore working through each element of it. For example, BEIS put out a hydrogen strategy over the summer, and I have been filling in the blanks on different elements of the transport plan. I think that is what you need. You need an entire government machine and a population who get what we are trying to achieve. It is about that as well as the technological developments, things like the work the Jet Zero



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Council is doing to decarbonise travel, and again the Treasury has been pretty—

Gavin Newlands: Tough.

Grant Shapps: I was going to say pretty generous. The reason we are the only country in the world developing a zero carbon hydrogen aircraft is in no small part through Treasury largesse.

Q107 **Gavin Newlands:** I did not think I was going to get a number on that, and that is fair enough, but I am conscious of the time, so I will move on.

Minister Maclean, who was responsible for the plan, said it was delayed, by quite a few months as far as I am aware. She said she sent it back because it was not ambitious enough. I know your answer to this question but I have to ask it: is it still ambitious enough?

Grant Shapps: There are two reasons why Rachel Maclean rightly sent it back. One was we wanted it to be ambitious. Two was coronavirus. Actually, there are three reasons now I think about it. The third is we were waiting to set the sixth carbon budget in law. Once set, that sixth carbon budget enabled us to release the plan. As I say, it may have been a little delayed, but we were the first country in the world to actually publish one.

Q108 **Gavin Newlands:** In fairness, it is here now.

On the plan itself—I made a similar point to the aviation Minister yesterday in the decarbonising aviation debate—there are commitments to 13 consultations in the document, I think, unless I have miscounted, three reviews, multiple strategies to be developed, etc. That is in some part to be expected, but we are in a climate crisis just now. Have you given a hard and fast deadline for when all these consultations and reviews have to be completed?

Grant Shapps: You are right to say it is a large piece of work. When we published it, we said it was the biggest piece of work the Department had ever done. I am not sure if that was just on decarbonisation or overall because of the number of reviews and consultations that were required and published, much of it at the same time. That work is ongoing, but I should explain that the outcome of one thing is not dependent on another. For example, the Jet Zero Council has met three times in its full state and at sub-committee working group level dozens and dozens of times. In fact, again I happen to be meeting the Jet Zero chief executive later today. That work has been ongoing. It is leading to big advantages like sustainable aviation fuel for aviation, work on hydrogen, and so on and so forth.

Q109 **Gavin Newlands:** Is there a deadline for which we can hold the Department to account?

Grant Shapps: Look, this won't stop until 2050. In 2050 we have to be at net zero.



Q110 **Gavin Newlands:** I thought that might be your answer, to be fair.

May I come back to a point raised by Mr Morris on zero-emission buses? I disappeared from the Committee for a few minutes and went over to the Library, but they could not procure the letter that you produced in the Library. I am perhaps going into this a little blind, but you have said previously, and you have reiterated, that there are 900 buses in production and 50 are on the road. You repeated this at Transport questions. As far as I am aware, there are no zero-emission buses currently ordered, in production or indeed on the road, as a result of the ZEBRA scheme, which was born out of the 4,000 commitment. Is that true?

Grant Shapps: The ZEBRA scheme is one part of it and we are about to have a formal announcement on it, so that is true, yes.

Q111 **Gavin Newlands:** That is true. I asked Minister Maclean where the 50 were on the road and she could not answer last week, and we have not had a response yet.

Grant Shapps: That letter has definitely been signed to Mr Tarry. I will ensure both the Committee has it and will double-check with the Library why it is not in there, but I have seen and signed the letter to him with the detail.

Q112 **Chair:** It might be quite helpful for us to know to that point where the 50 are, but where the other 850 are in the stages of production. That would be helpful.

Grant Shapps: Sure.

Q113 **Gavin Newlands:** My concern with that is that it seems to me we are counting buses that were ordered prior to the commitment of 4,000 buses, so we are counting buses that were already ordered.

Grant Shapps: You need not worry, Mr Newlands, we will ensure that our manifesto commitment to have 4,000 low-carbon, zero-carbon—whatever the wording is—will be delivered. You will be delighted to celebrate that.

Gavin Newlands: I will hold you to that.

Q114 **Chair:** The Prime Minister will not call an election until that last bus—

Grant Shapps: —until that last bus is delivered, yes.

Chair: You might be on it.

Q115 **Gavin Newlands:** You say in the plan that there has been a huge acceleration of electrification. In the last 10 years there has been 4% of track electrified in England and about 9% in Scotland. The main question is: when will we hear the announcement of the next electrification programme as part of your new rolling programme?



Grant Shapps: We were having this conversation before. It is an ongoing programme of electrification and we are always announcing sections of track. Most recently, some of the money I announced for TRU-plus would be for electrification. The midland main line is due for large sections of electrification. It is very much an ongoing process.

I do not have the exact figure in front of me. I seem to recall that in the 13 years before 2010 something like 67 miles were electrified. In our short period, we have done 1,150 miles—700 miles alone in the last three years, I think. Again, I will check those figures are correct for the record and write to the Committee.

Q116 **Gavin Newlands:** The first electrification scheme as part of this rolling programme will definitely be announced by the end of the year.

Grant Shapps: Yes, sure, I will give you an update. I am very proud of our electrification programme. It is a big part of decarbonising. We know that the whole track will need to be either electric or we will need an alternative means of propulsion as in hydrogen or battery. I have been on a hydrogen train already. I have been on battery trains. We are going to get to net zero and are committed to doing that on the railway as well.

Gavin Newlands: I could go on and on about cars and everything else, but I do not have time. I know a colleague or two want to come in on this section.

Chair: I think we are in the “Any other business” section and time is marching on. I will go to colleagues to see whether they have anything. I know that Simon has something on the A303, but I think Grahame and Karl have something linked to this section.

Q117 **Grahame Morris:** I will be very brief. My question is on decarbonisation. We have been on rail, in the air and on the roads, but can I ask you, Secretary of State, about carbonisation in the maritime sector? It is an area that is very often forgotten. It is an issue that we have raised before. We are rapidly approaching a point where only one in 10 of the ratings within the UK are filled by seafarers who are actually from the UK. The workforce getting to our ports is either being flown there or shipped in from abroad, and that increases the carbon footprint and compounds the problems we have in the UK skills gap.

The Department has set up a Maritime Skills Commission. Would you be agreeable—and you kindly agreed to a meeting with my colleague Chris Loder—to a meeting with the ratings union to see how it can be involved in facilitating this so we can address this skills gap? Unlike in the lorry drivers issue, where we are relying on lorry drivers from overseas, it is about how we can encourage more UK-based seafarers, because that would help to address part of the issue of decarbonisation in this sector.

Grant Shapps: I am very grateful to you for raising maritime. We have been very proactive throughout the pandemic on, for example, the rights of maritime workers—in particular, leading an international effort to



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ensure they were able to return home during the peak of the pandemic. We had a situation where people were, essentially, being forced to work on ships, a couple of which happened to dock in London. We took immediate action to release them, as well as come to new international agreements to allow their release.

On maritime skills, I would really love to do that. Probably the best person for that meeting is the maritime Minister Robert Courts, who will be very pleased to meet up about it.

I should also say that this time last week I was on HMS Albion. I was by the Cutty Sark and I was launching with DP World the London Gateway port, which is an enormous investment in a freeport. It brings together something else we are doing—I announced last week the clean maritime competition winners—which is technology to clean up and decarbonise maritime.

On all those agendas I would be really pleased to provide further information, engage in it, and, in particular, set up a meeting with the maritime Minister, because we are keen to progress all three of those areas: skills, standard of work and cleaning up of maritime.

Q118 Karl McCartney: Secretary of State, I want to come back on a subject that we have discussed before and I am passionate about—sustainable fuel, which you have just referenced. I also would like some clarity, if possible, because I asked your former ministerial colleague, Rachel Maclean, about pollution figures. You just mentioned 30% for cars and vans. Her predecessor Minister was the Member for South Holland and The Deepings, Sir John Hayes, who back in 2016 provided Department for Transport figures that stated that cars and vans caused 12% of all pollution in the UK, stripping out agriculture and construction, and all the other types that we know are very, very polluting, such as maritime and aircraft, etc.

Grant Shapps: Let me try to clear that up.

Q119 Karl McCartney: Just a second—and the 50% of pollution that is caused by heating boilers. I know that the Government are attacking all of those, but my point has always been that cars and vans have been picked on. I would like some clarity from you on what you understand are the figures, not for greenhouse gases, not just for decarbonisation. I know you are not going to provide them now. I am very happy for you to write to the Committee at some future date.

Grant Shapps: I would be happy to write to the Committee, but I would just clarify what I was saying for the record. It is often said that around 30% of carbon, and I have seen it quoted as 28% or as 33%, in a modern economy—and the UK would be a good example of this—is from transport as a whole. Of that, 90% would be from road transport. Of that, 70% would be from cars and vans.

Q120 Karl McCartney: Including all shipping and all aviation.



Grant Shapps: Including all transport. Where these figures get complicated is that sometimes people include international aviation and maritime; sometimes they do not. If you take in or take out those figures, obviously it has quite a big impact, particularly on a larger geographical economy. I think this is why the figures tend to be quoted and misquoted.

It is probably helpful if I write to the Committee to clarify. The single simplest figure to quote is that it used to be that energy was the most polluting of all the sectors. That is no longer the case as coal has diminished in the UK. It is now transport, which has the unhappy badge of being the most polluting.

Q121 **Karl McCartney:** Yesterday we heard some of the companies talking about sustainable fuels. You will know that we have looked at electric vehicles and I would like the Committee to look at sustainable fuels for all sorts of different types of transport. Have you looked at the opportunities for sustainable fuel? I know there are Siemens and Porsche out in South America—Chile, I think—and then we have others. I think Rolls-Royce is working with BMW, and Paddy Lowe of F1 is looking at things with our RAF. Yesterday we heard that Shell has just announced a big plant in the Netherlands.

Are you aware of all those? I think it was easyJet that mentioned it thought the Government should give it more money. I gave a little bit of pushback and said perhaps it should invest some of its profits in R&D. As Secretary of State, are you aware of all those different opportunities that might well fit into the mix with EVs and hydrogen, etc.?

Grant Shapps: Yes, and your question goes to all forms of transport, not just cars.

Q122 **Karl McCartney:** Obviously, including agriculture—you will never get a combine harvester powered by electricity.

Grant Shapps: First, we are broadly aware of all those and specifically some of them in much more detail. I do not think electric is the answer to every form of transmission. Hydrogen certainly has a very big part to play. I backed that, because we made Teesside the first hydrogen hub location in the country specifically focused around transport, not least because—and that is why I asked whether you were referring to all forms of transport—to make this work, both in getting knowledge together in one place but also for practical purposes, you want to be able to develop, for example, hydrogen for lots of different forms of transport and have that kind of ecosystem around it as well, which is why having a hydrogen hub is so important.

Q123 **Karl McCartney:** Do you also accept synthetic fuel replacing diesel or petrol—

Grant Shapps: Sustainable aviation fuel.



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Q124 **Karl McCartney:** —which will allow us to keep internal combustion engine vehicles on the road, including for aircraft, which we have learnt have a 16 to 18-year—

Chair: I will ask for a brief answer.

Grant Shapps: Briefly, for example, with sustainable aviation fuel, I am working to try to ensure that all the VIPs who fly to the world's biggest climate change conference at COP 26 in Glasgow can fly home with sustainable aviation fuel in their tanks. SAF is very important. In fact, as part of the Jet Zero Council's work, SAF is one of the most important workstreams and has a working group that has met the most. We are working with industry and academics and government all the time to promote that.

There are many other things that get very complicated, like our renewable transport fuel obligation, which if we all wrap a cold towel round our head and sit somewhere dark we can understand the way it operates—

Q125 **Karl McCartney:** I am conscious of the time, so if you would provide the Committee with some information on all those different aspects, we would be very pleased to receive it.

Grant Shapps: I am delighted to send it.

Chair: You last appeared before us to talk about infrastructure and our report will be agreed, all being well, this afternoon. In it will be a case study on the A303, and I know that Simon Jupp would like to ask about that.

Q126 **Simon Jupp:** I certainly would. The A303 is a constant point of frustration for people in the south-west and anyone who ever travels into the south-west, especially during the summer months. A couple of weeks ago we had the, if I may say so, very disappointing High Court ruling regarding the Stonehenge tunnel. What is the latest on that? How much of a setback to the improvements to the A303 that we all want to see is this?

Grant Shapps: Clearly, it stops it being built at the moment. Obviously, I have to be careful what I say because it is still a live planning application. I will now re-examine the A303 Stonehenge development consent order, as I am required to do by law. I will need to make a fresh decision on the scheme and then publish an update on the Planning Inspectorate's website in due course, which I will do. That will progress through the autumn and I will do the work as quickly as possible.

Not talking specifically about the A303 but just in generic terms, what do I believe? I think that it is important that in this country, as we have discussed before, we are able to build the infrastructure that enables people to get around. Until we invent other ways of transportation—teletransportation—people have to physically be able to move.



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I also think it is really important to protect our heritage. And again, with no particular scheme in mind, I can imagine if, rather than planning to remove a road, I wanted to build a road, people would quite legitimately be concerned.

I also have the view that it is for Parliament and Ministers to make these decisions and that the will of the Executive and the House must not be endlessly frustrated.

Q127 Simon Jupp: That is music to my ears on the more general point, but the concern is that obviously the tunnel costs a lot of money, circa £2 billion, and the Treasury was kind enough to sign that off and put it in the south-west's direction in the Budget in March of last year. What discussions have you had with the Chancellor to ensure that that money is ring-fenced for whichever project comes forward to solve this problem, which is not going away?

Grant Shapps: For two reasons I do not want to go into details. One is the spending review. Secondly, this particular case, now we are talking about the specifics again, is a live case. I do not want to go into too much detail. I do not know if there is anything that the permanent secretary can say.

Bernadette Kelly: I think it is very difficult to say very much more on this point for the two reasons the Secretary of State gives.

Grant Shapps: I will end by saying I recognise the concern properly represented by effective Members of Parliament who have fought very hard on behalf of their constituents to remove a point of considerable congestion. I appreciate that the winding process of judicial reviews and what have you can be very frustrating, but we obviously must act within the law, and I will be able to say more about it in due course.

Q128 Simon Jupp: It is not stopping the rest of the work along the A303 because, obviously, there are various different pinch points that you are addressing.

Grant Shapps: That is correct.

Q129 Chair: Do you think that across Government—you and the Ministry of Justice—will have to reform the judicial review process?

Grant Shapps: Yes, now not talking about any particular case at all—

Q130 Chair: We are not talking about anything. We are talking in general on infrastructure.

Grant Shapps: As I hinted before, the public elect their representatives, many of whom speak up very clearly and vigorously on behalf of their constituents. Ministers make decisions. They do so with the power and authority of Parliament. There has to be a point at which those decisions are able to proceed. I am concerned that, on occasion, we allow as a country these processes to get tied up in knots, where democratically



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elected people have made perfectly proper decisions that are endlessly questioned and undermined on matters of extreme technicality, costing the taxpayer sometimes hundreds of millions of pounds in delay, and frustrating this Government's goal to level up the country. So the answer is yes.

Chair: Thank you. We have time for one quick question from anybody else who wants to ask. I know Ruth does and then Gavin.

Q131 **Ruth Cadbury:** E-bicycles are the only form of EV in this country that receives no plug-in grant. Why is a plug-in grant available for cars and cargo bikes but not for e-bicycles given how much they can address traffic congestion and our carbon targets?

Grant Shapps: I agree with you about e-bikes and their importance. In fact, I have just bought an e-bike kit, I can reveal to the Committee, to turn my dad's very old bike—it weighs a ton—into an electric bike by switching the front wheel, which I am very excited about, and waiting for.

I would agree with you about e-bikes. I think they are a very good way of helping people to do that slightly longer commute journey, or whatever it is people are trying to do. There are other schemes available that cover e-bikes, including cycle-to-work schemes, which are offered by many employers, including, I think, Parliament.

Q132 **Ruth Cadbury:** Yes, but it is no good if you are self-employed or your employer does not sign up for it, or you are doing it yourself.

Grant Shapps: That is true—there are limits—but there is some Government subsidy. I think I am right in saying that in Cornwall we have introduced a Government-backed scheme. I think it was a thank you to the people of Cornwall for putting up with the commotion of the G7.

I am always very open to looking at how we fund e-bikes, whether they should be part of various different schemes. The uptake of e-bikes has been phenomenal during the coronavirus crisis. I think they are a terrific way of getting about. They are not controversial in the same way as perhaps e-scooters are because it is established technology and people are just on bikes. I think they are very welcome.

Q133 **Gavin Newlands:** At this point, with driver shortages in the haulage sector, we can ill afford delays at DVLA, but there is obviously an ongoing dispute. My question is: why have you blocked two deals to end the dispute?

Grant Shapps: The DVLA union, PCS, went into dispute specifically over its concern about coronavirus measures, social distancing, and whatever else was required in its view. I just want to make it clear that at all times DVLA has worked very closely with the Welsh Government—the DVLA is in Swansea—with the Health and Safety Executive, the local authority, Public Health Wales and others, to ensure that it not only meets but



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exceeds what were then the coronavirus safety measures. For example, it went out of its way and actually leased an entirely separate building. It allowed people to work from home. Some people need to work from the office simply because they are handling personal data for other people. You look like you want to come back in.

Q134 Gavin Newlands: We have heard these explanations before. Obviously, the PCS has put some of its reasons here, but why did you block two deals that were agreed?

Grant Shapps: Sorry, I made those points as a reference that the strike was about coronavirus and concerns about measures. The union then shifted the grounds of the strike when all these things had been done to a pay issue rather than—this is factually true.

Grahame Morris: They did not—*[Inaudible.]*

Chair: Can we have one line of questioning please, Gavin?

Grant Shapps: You may have other information that I don't, but my understanding is that it shifted to a pay issue, "Pay us more," which is completely separate to the reason that they went on strike. I am afraid you cannot have a ballot about a specific health and safety concern and then switch to a pay concern. Those are two separate issues.

I should say this. First, I am pleased to say that the mandate and the strikes have ended. I think that is very good. I am very keen to move forward, given that the management there has done such a lot of work to ensure that people can be in work safely, and of course now the regulations have changed in any case because we have moved on and people have got vaccinated and the like. There is no reason whatsoever to go back to strikes. I have seen no indication of strikes at the moment. I hope we can move on in a constructive way and clear the backlog.

That is absolutely essential, because it is unfair on some of the most vulnerable people in Britain. DVLA processed letters that were going out to vulnerable people to book, for example, their vaccinations. It is unfair to those people to have their documents withheld, to not have those letters sent out, and for them to be striking on the basis of an entirely different basis to the strike.

As I say, the strike has ended. I hope that is how it stays, and I hope we can work together to clear the backlog and move on.

Q135 Gavin Newlands: Clearly, I was not in the room or party to these discussions, but the PCS hotly disputes what you have claimed. Ultimately, it is to be regretted that the union reached agreement with local management twice and you stepped in to block those deals.

Grant Shapps: The strike was called on the simple subject of safety during coronavirus. The strike could not then migrate.



Q136 **Gavin Newlands:** Why did management agree a deal?

Grant Shapps: I am sorry but the strike could not migrate itself into a strike about pay. That is a separate issue from negotiations between unions and management. There could never be a settlement based on a completely different subject. It would be unjustifiable on the basis of the grounds for the strike.

The mandate for the strike has completed. I believe that the current situation is that the backlog is starting to be cleared and that the strike, which in any case received only a very, very small majority mandate, has now passed, and there is no reason to go back to it.

I think we all want to work together—unions, management, the Government—to get on and clear this backlog, which is hurting vulnerable people who are tending to have to interact with DVLA, not online, where there have not been delays but offline, which is where the vulnerable people have tended to be affected by the strike. I do not think there is any reason for it to be restarted. It would need a fresh ballot in any case.

Chair: We very much hope there will be a positive future for those who work and indeed are serviced by the agency.

Grant Shapps: Absolutely.

Chair: I think that brings us to a natural conclusion. I want to thank you, Secretary of State and Ms Kelly, not just for the evidence you have given us but for the way you have engaged with the Committee. There is a huge amount going on and I imagine your officials are working incredibly hard, as are Ministers, and the engagement and transparency that you give this Committee are greatly appreciated. There is quite a lot to write to us about, and we look forward to receiving it. Thank you.