



Transport Committee

Oral evidence: Transport's winter resilience: rail flooding, HC 1087

Tuesday 25 February 2014

Ordered by the House of Commons to be published on 26 February 2014

[Watch the meeting](#)

Members present: Mrs Louise Ellman (Chair), Sarah Champion, Jim Fitzpatrick, Jason McCartney, Mr Adrian Sanders, Graham Stringer, Martin Vickers

Questions 1-144

Witnesses: **Chris Pomfret**, Chairman, Cornwall and Isles of Scilly Local Enterprise Partnership, **Councillor Tudor Evans**, Leader, Plymouth City Council, **Tracey Lee**, Chief Executive, Plymouth City Council, **Phil Norrey**, Chief Executive, Devon County Council, **Gordon Oliver**, Mayor, Torbay Council, and **Charles Uzzell**, Director of Place, Torbay Council, gave evidence.

Q1 Chair: Good afternoon and welcome to the Transport Select Committee. I would like to start by asking each of you, please, to give your name and your position. That helps us with our records. I will start at the end.

Chris Pomfret: My name is Chris Pomfret and I am the chairman of the Cornwall and Isles of Scilly Local Enterprise Partnership.

Councillor Evans: I am Councillor Tudor Evans. I am the leader of Plymouth city council.

Tracey Lee: I am Tracey Lee. I am the chief executive of Plymouth city council.

Phil Norrey: I am Phil Norrey. I am chief executive of Devon county council.

Gordon Oliver: Good afternoon. I am Gordon Oliver, elected Mayor and leader of Torbay Unitary Authority.

Charles Uzzell: Good afternoon. I am the director of Place at Torbay council. I am Charles Uzzell.

Chair: Thank you very much.

Chris Pomfret: Can I say that I am representing Cornwall council as well? The partnership works for us and so I am here to represent both the council and the LEP.

Q2 Chair: Thank you very much. I know that there are a lot of transport issues in the north-west, but I would like to start by asking you about the position in Dawlish. Could you tell us what the economic impact of the closure of the railway line at Dawlish has been and how you estimate the impact of what has happened in terms of the local and regional economy? Who would like to start with that—Councillor Evans?

Councillor Evans: Thank you very much. Not to put too fine a point on it, Devon and Cornwall now have independence and we have not had a vote, because where we had a railway line we now have a Peruvian rope bridge masquerading as a railway line and it has actually had quite a devastating effect on the economy; there is no doubt about it. In Plymouth, we are talking about £4 million or £5 million for every day that goes by, and the region, of course, is suffering even more greatly. We have had figures supplied to us from the Plymouth Chamber of Commerce, who have done a study and are doing a study to show the impact across the whole of the region, and it is substantial.

Q3 Chair: Would anybody else like to supplement that—Mayor Oliver?

Gordon Oliver: Thank you very much indeed. Certainly, it is having a very profound adverse effect on our tourist industry. The responses we are getting at the moment are that there is a 75% negative effect on bookings for this particular season, particularly at Easter. We want to see a restoration of the Dawlish line and the protection of it. If I may say so, we would like to see a lifetime of about—

Q4 Chair: At this stage, Mayor Oliver, I am asking you about the impact on it. We will come on to these issues. I just want to establish the impact of what is happening in terms of your local economy and commerce.

Gordon Oliver: In terms of negative impact, it is on our tourist industry, which is our major industry. It employs in the region of 10,000 people and it is a major problem for us on that score alone.

Phil Norrey: Looking to the longer term, one of our concerns is that many of us are in a position where we are looking to attract significant inward investment. We have some good economic sites and some good prospects, and we are in the position now where you have not been able to get a train from London or the midlands to west of Exeter since 9 January. Part of that is as a result of planned engineering works at Whiteball tunnel, but part of it is as a result of Dawlish and the two Athelney closures of the line. It is not just about Dawlish; we have had a significant number of other issues. The feeling in the business community, which is more than anecdotal, that you can't come down here and rely on being able to get up to town in the normal way is having an impact, we think, on expressions of interest and potential businesses moving into new sites.

Tracey Lee: We have three global businesses within Plymouth that are looking to expand. Clearly, that expansion is a global choice about where they expand and grow their business. For each of those companies they are unable to bring head office personnel into the region. They do not want to show them the region at the moment because of the connectivity issues that we have. So it is a significant issue, which, if we do not act quickly, clearly will go on for some time and cause problems for confidence within the business community.

Q5 Chair: Mr Uzzell, do you want to add anything to what you have heard?

Charles Uzzell: The only important issue to identify is the here and now, which is the businesses and the loss of income. Cornwall and the Isles of Scilly have identified £20 million from their study and we have £5 million from Plymouth. So, extrapolating those figures per day, there is a lot of money there. There is also confidence in our inward investment. We are all working exceptionally hard to try and get investment and economic growth. Everyone in the south-west is supporting that, and it really is tough to convince people that this is just a blip and we are going to have decent long-term services in the future.

Q6 Chair: Mr Pomfret, do you agree with what you have heard and is there anything else you would like to add to that?

Chris Pomfret: The £20 million figure is apparently attributed to me and I don't have a clue where it comes from. We have had a reasonably good look at the tourist industry in Cornwall and we believe the short-term impact is about £8 million. Much more importantly, we did a thorough resilience study after the flooding at Cowley bridge—the 12 days of loss of the railway line then in 2012. That was valued as a minimum of £60 million. However, I agree with my colleagues that I don't think the debate is about the short term. Remember, Cornwall is the poorest county in England. It is the only less developed county. We have had three far eastern companies looking at investing here. They would not invest if they saw our current transport system. That is not just to do with the railway; that is to do with the fact that the airport is under threat and we desperately need public service order to Gatwick, and we don't have a motorway in Cornwall. We have an A303 that is half dualled and only half dualled. You can live with one of these being vulnerable if all three of them were viable alternatives, but you have three very, very weak alternatives and that is what compounds the problem. The solution is not just about Dawlish; the solution is about a much, much more comprehensive view of what is going on.

Q7 Chair: There is a rail replacement service, is there not? There is a bus operating and there has also been an increase in flights from Newquay to London and a change in the cost; I think some of the duty has been reduced by £5. Has any of that made any difference or had any impact on the problems that you have all described?

Chris Pomfret: I wouldn't be here if it was not for the extra flight that came to Newquay.

Q8 Chair: That is how you got here.

Chris Pomfret: Yes. I caught one of the extra flights. It was full; the earlier flight was also full, and at the moment that is a benefit. There is a limited capacity and they are only able to do that at the moment because of slots available at Gatwick because of the lack of holiday flights, but it is a viable alternative.

Q9 Chair: Are there any other views on the immediate impact?

Tracey Lee: The agencies working together have some really good services in place and we would all thank them for the response that they have given. We came on the rail replacement bus from Plymouth to Tiverton Parkway, and it is actually quicker than the train, but that is because the train line speeds are so slow that it is quicker, which is a ridiculous thing to say but it is.

Q10 Chair: Mayor Oliver, what is your view of the current replacements?

Gordon Oliver: There is a PR message that we need to address. We can help ourselves in the west country, but it needs the Government to help us with some of the national organisations that we are still open for business.

Chair: We will be coming on to what we think should be done. It is very important that we establish, clearly, authentic accounts of the real impact of what is happening and the impact of any changes.

Q11 Mr Sanders: I just have one simple question and it will be obvious to everybody on the panel. Can you explain what the differences are between the south-west and the far south-west, economically and geographically? It is very important that you get that on the record.

Chair: Who would like to do that—Councillor Evans?

Councillor Evans: Often we are confusing them together, but it is a matter of 100 miles from Plymouth to its nearest comparable city. Not only that, but with regard to the far west, everybody says it is about tourism. It isn't just about tourism; it is major business. Fourteen per cent of the country's marine engineering capacity is in the south-west peninsula, so it is big business. We have major exporters there. In Plymouth, we look after the four largest items on the UK balance sheet, which are the Trident nuclear submarines. There is engineering skill; there are all these things and massive production.

The country needs to be connected to the south-west of England in the same way as the south-west of England needs to be connected with the rest of the country, because we deliver. What we have been asking for throughout this crisis is not just to restore what we had before. I have called for this not to be a heritage railway restoration project, but, actually, a new railway—a better railway than we had before—which delivers resilience, yes, but fast speeds too. You probably will know this, but the distance between Plymouth and London is the same as Plymouth to Lancaster, but it takes you an hour more to get to Plymouth. In some parts of the country people are used to having these higher, faster speeds, and there is no real appreciation of just how slow the railway is. The average speed of the railway to Plymouth is

about 68 mph. The further north you go the faster it gets. Speeds to Glasgow and Edinburgh are nearer 95 mph. We are losing out on connectivity, we are losing out on speed and at the moment we are certainly losing out on resilience. We have waves lapping at the Dawlish main line—that wall you have heard so much about and seen—but we also now have waves lapping at the Somerset levels.

Q12 Mr Sanders: What I am trying to get to is, when this issue is put to the Secretary of State or a Minister, they will say, “Lots of investment is going into the south-west; we are electrifying the line to Bristol.” Can you counter that impression?

Councillor Evans: Of course I can. People need to understand that the line between London and Bristol is really important and the electrification project, £425 million, is a fantastic investment and very welcome, but that does not do anything for the far south-west—not a thing. Our project that we have been asking for is an additional line—not an alternative line, as some have been describing it, but an additional line—that would serve business in the far south-west. We believe that that project, on a cost per passenger, is much more cost-effective than people believe.

Q13 Chair: We will be asking you more about this. I need to keep these issues separate or we are not going to get the strong evidence.

Chris Pomfret: The south-west includes Swindon and Bristol, and they are economically completely different from the far south-west, which is Cornwall, the Isles of Scilly, Somerset, Devon, Torbay and Plymouth. The reason why the RDA probably did not make sense was because it covered the whole of what I have just described as the south-west. The Plymouth/Swindon economy is a fundamentally different thing from what Mr Sanders calls the far south-west. We are talking about that, because that is the bit that has the poor connectivity.

Q14 Sarah Champion: I am going to move us away from the topic. Can you comment on whether or not you think the Government have done enough within the immediate disaster at Dawlish, but also—I think I know your answer—in terms of your infrastructure in general, and what would it take to make them recognise the needs that you have?

Councillor Evans: We have just been to see the Secretary of State. We have had a good meeting with the Secretary of State. We put the same points to him that we put when he was in Plymouth a couple of weeks ago, which is that there is a huge gulf that already exists between investment per person in the south-east compared with the south-west, compared with the national average in the south-west. Obviously, this is before HS2. The gap is already £500 a head, so there is historic underinvestment in the south-west, not just—

Sarah Champion: On infrastructure.

Councillor Evans: On infrastructure. If you recall, just three years ago Network Rail—in a hearing in this room, I think—said that the Dawlish wall would hold for the

foreseeable future. That was three years ago. In 2006, they came and said pretty much the same thing to Derek Twigg, and here we are—no wall. That’s just that.

Q15 Sarah Champion: Do you feel that their response, now it has collapsed, has been fast enough and appropriate?

Councillor Evans: As I say, we have had assurances on money before and we want to see it. We have had promises before. I came to see Norman Baker a year ago and he promised me £31 million. By the time I got home to Plymouth it was off the table, so we have heard promises before. I want to see that railway back up and running but I don’t then want the Government to walk away and say, “Well, that’s done,” because that is not going to serve the economy of the south-west or the far south-west. It is not going to do anything for Cornwall, Plymouth or Devon if you just build back in those line speeds.

Phil Norrey: There is a bit of a pattern of repeat offences following crises, where money is promised and then we don’t see the follow-through. The classic example last year was Cowley bridge. We lost the railway line just to the east of Exeter for three weeks. We were promised a remediation scheme. That then disappeared at the time of the autumn statement, magically to reappear during the crisis of the past few weeks, although I would say it is still a bit like a pea under a cup, because we have not actually seen it, the money has not been committed and the work has not started on that scheme. That bit of the railway line at Cowley bridge is just as vulnerable as further to the west in Dawlish.

They have been very good in the crisis bit; we have had the Secretary of State and prime ministerial visits admiring the hole at Dawlish, we have had meetings granted to us and that has been great, and we have had lots of warm words, but, as yet, we have not seen the follow-through.

Q16 Sarah Champion: Mayor Oliver, what is your view? Do you agree with the warm words and no follow-through?

Gordon Oliver: Yes. Also, we are used to dealing with the sea. We have a healthy respect for it. When we have a breach in a sea wall, we are there within a matter of hours and some of our breaches we have dealt with in four to eight hours. We have a healthy respect for the sea. Here, the tide was coming in and out, and each tide every four hours made the situation worse. You had two agencies together, which complicated it. Once Ministers realised the implication, grabbed hold of it and did something, everything started to move, and that is what needs to happen. It needs ministerial drive, which it now has, and it needs to finish it, which we warmly welcome. In the past a general comment is true—that the service of rail into the west country as a whole has had a stronger degree of neglect over many years. That needs to be addressed in the long-term, now and in the future.

Q17 Chair: Mr Pomfret, do you think there has been enough co-ordination, from what you can see, in dealing with the immediate problem?

Chris Pomfret: If we take the immediate problem of Dawlish, it does seem to me that the response is pretty good and I am reasonably confident that Network Rail will solve the Dawlish problem. My question is whether it will be solved to make it resistant enough to stand many, many years, because there is a lot of talk about alternative or additional routes, which is important, but that is some way off. We have to ensure that Dawlish is resilient enough to withstand. Brunel built it and it lasted 150 years. We ought to be able to build something that lasts pretty much now.

The second issue which has been mentioned, and that is where the disappointment comes, is that there was £31 million voted for the Cowley bridge and above, and not all of that has been spent now. I give absolute credit to Network Rail. They have done a very good job in lifting all the signalling so that small floods don't pull all the signalling out, and you have to give them credit. But that requires the Environment Agency, Network Rail and the Government to work together. We sat in a meeting a few months ago where each blamed the other for not doing anything. Network Rail, to be fair, have done their part, and the Environment Agency said, "Our job is to protect people, not place and not land." This is about people; it is about a railway line that people travel on. It is not about moors. The response to Dawlish is right. We would like to see the response to the north of Exeter absolutely fulfilled, but much more importantly is to look at the transport infrastructure and the totally to the far south-west because, compared with anywhere else in the county, we are sorely badly off.

Q18 Chair: When you say "we," you mean with Councillor Evans?

Chris Pomfret: I mean we, the far south-west, using Mr Sanders'—

Q19 Chair: On our records we need to know that you are all together—

Chris Pomfret: I do not think we disagree fundamentally as the councils, or in my case the LEP, about the fundamentals. The key first issue is Dawlish. You are right to put that—

Chair: Then there will be others. I am going to ask about specific ones. I think Mr Fitzpatrick wants to come in.

Q20 Jim Fitzpatrick: Mr Pomfret, you said that you thought that the Network Rail and Government response for Dawlish is adequate, but it has been said that the arrangements for the repair, first, the time has already been extended and, secondly, there are other ways where it could have been done more quickly, but it would have been more expensive. Do you think that is a fair comment, or do you stand by your comment that you think the response is adequate?

Chris Pomfret: I am not an engineer. I have seen the damage, and we are talking about Easter or maybe slightly earlier than Easter. When I have talked to engineers, they say, given the damage and given the continuation of the sea that has been going, that isn't too bad, but I am not going to make a statement about whether it is right or wrong because I am not an

engineer and maybe we should leave it to the engineers. The critical thing is to get it done properly. What none of us want is a sort of botched job that gives us a problem again in two or three years' time. That will be our main railway line for the foreseeable future, even if there is agreement to do an additional one. That will be the main one and it has to be done in a way that will withstand. The worry many of us have—I used to tutor on sustainability—is that they do it all on historic weather figures. The one certainty we know is that the future climate is going to bear no resemblance to the past climate and these very, very volatile things are going to happen, so it has to be made resilient to that. That must be the No. 1 priority.

Q21 Jim Fitzpatrick: We do have the engineers following on so we will ask them. Does everybody agree with Mr Pomfret's analysis of the repairs?

Chair: Mr Norrey?

Phil Norrey: Yes, I do.

Q22 Jim Fitzpatrick: Can I have one follow up, Chair? In the meeting, Councillor Evans, that you mentioned with the Secretary of State, which was positive, was that more promises or was there something firmer than more promises? What makes you say that it was a positive meeting?

Councillor Evans: The Secretary of State was very clear that he was committed to getting the Dawlish line repaired and up and running as soon as possible, because he recognises it is our one way in and our one way out, unless you want to go by bus. I do not want to lose sight of the fact that we have had promises before to do great things. I have a thing here called the 1937 Great Western Act, which talks about a Dawlish avoiding line. This is 1937. My question is, if not then, when are we are going to see something that resembles a modern 21st century railway in the south-west of England? It is all very well to talk about getting these things up and running, magnificent, it is quick and speedy, but there is no alternative to this when it goes down. We are so vulnerable. Meanwhile, people in other parts of the country are having their appetite whetted by journey times as little as 49 minutes between Birmingham and London. At the moment it is three hours 47 minutes, the first train to Plymouth from London in the morning, going via Bristol. How can this be when we are the 15th largest city in the country? I can't think of another country in Europe that would tolerate that, and that is the standard that we have set for the railway in the south-west of England, not just this Government but successive Governments back to the formation of the railway.

Q23 Chair: Do you have any proposals on what should happen in relation to the collapse at Dawlish? Should that be reinstated full stop, or reinstated and a new line built? Do you have any joint view on that or what is the process for deciding it?

Gordon Oliver: It is vital for the future. Just on the other points you have made, we are working together as a peninsula rail task force; we are as one.

Q24 Chair: You are working together on this issue.

Gordon Oliver: Yes, which enables us to work together. It has a team effort and we can exchange ideas and thoughts and agree our policies. However, on the future of Dawlish, my local authority and I think all of us around the table here would like to see a restoration of the line. It should have a life of probably 50 or 60 years. It has another opportunity as well, because it is a sea defence for south Devon and perhaps even the city of Exeter, and so we want to see perhaps a 50 or 60-year lifetime to that. We do not mind looking at supporting routes, but not alternatives. We think it has a life of two generations to support our rail system. It is very important that we see that as a major priority for our future.

Tracey Lee: As a peninsula task force we have been working for over a year collectively together and have had numerous meetings with Government Ministers and done a huge amount of lobbying. In fact, we wrote to the Secretary of State collectively a week before the Dawlish collapse. It feels like it was the “I told you so” letter when we brought it out at a meeting we subsequently had. The fundamental issue here is that we need a study undertaken that looks at the fast resilient services to and within the far south-west. That is the most important thing. The commitment that the Secretary of State gave to us at 2 o’clock this afternoon is that he would ask Network Rail to look at all the options. It is really important that all the options are considered. It is also important that, in considering those options, the economic benefits of the line and the way in which we improve the lines into the far south-west and then within the far south-west as a result of that are absolutely essential and that the productivity that comes from faster speeds is absolutely there to be seen.

Q25 Chair: Councillor Evans, what is your understanding of the meeting that you have had with the Secretary of State in relation to which way we go forward, bearing in mind we will be questioning the Secretary of State later this afternoon? We would like to know what you think he has agreed to.

Councillor Evans: What I think I heard him say was exactly what Tracey Lee has just said. It would be useful to touch base on that because people have been talking about an alternative route via Okehampton, for example. We are not saying that that isn’t a lovely thing to have, but that route would add at least half an hour—maybe an hour—to the journey between Plymouth to Exeter, which then makes it an hour to the journey from Penzance to Exeter. That is before you start thinking about London. These are the times that we are talking about. You would know, wouldn’t you, it is two hours 16 minutes to Liverpool? It is three hours 50—

Chair: I don’t know why you looked that one up.

Councillor Evans: You mentioned the word “productivity.” It is so important. Productivity is lost the further you are away from London. You know the figures—6% for every hour. We reckon a journey time reduction for us of 45 minutes would add £1 billion a year to productivity. I think these figures are important. They are not just about the railway but the economy. The job of the 15th largest city in England, which is us, is about delivering jobs and growth. We have three growth points in Plymouth—three—and we can’t sustain that on a railway that was built in 1840-something. What we need is something that is fit for purpose, fit for our ambition and fit for the contribution we are going to make to this country, but we need your help. We need the Secretary of State’s help, and we need your help to make that economic case.

Phil Norrey: Just to add to the issue that this must be an additional line, potentially, and not an alternative one, the passenger figures in the stations between Exeter St Thomas, which is the station immediately to the west of Exeter St Davids, and Newton Abbot, in terms of footfall are 2.5 million a year. Half a million passengers a year use both Dawlish and Teignmouth stations. While this is part of a strategic network at the moment, that is the same as the current figure for Plymouth. Now, I am sure Tudor would argue quite rightly that increasing the speed of that line would probably increase the footfall, but the local use has grown by something like 83% over the past few years, and it is part of the transport network for Devon, which we are calling the Devon Metro. So, yes, this is a national strategic line, but the Dawlish line is also a very important local route as well.

Q26 Chair: Mr Pomfret, did you want to add anything to these points?

Chris Pomfret: Rail traffic in Cornwall has grown twice as fast as anywhere else in the country. We would much rather see this investment in rail than in roads and other things. If I can play my Liverpool game, I was brought up near the East Lincs Road, well before anyone else in this room probably. It was a dual carriageway. We still don't have a road of the quality of the East Lincs Road in Cornwall, and I was brought up a long time ago. But the critical thing is to solve Dawlish, get the £31 million out and sort Cowley bridge, and then have a very, very clear study of these alternative routes or additional routes. We should try and hold Network Rail to something like a nine-month time to deliver that so that we do not lose sight of what is going on. If we got that plan where we see the alternatives or additional, saw where we were going, then we would know where we were moving.

As someone who is not in the political world but has now, for two and a half years, spent a bit of time in it, it still amazes me how siloed things are. We talk about roads over here, air here and railway here. You cannot do that in the far south-west. You have to look at the three, because—I repeat, and I admit I am repeating—the alternative to the rail does not really exist. If you come to the A303 as the only alternative to the M5, you get into all sorts of difficulties. We only have two main roads into the far south-west basically—the A303, which is mostly non-dual, and the M5. If something happens to the M5, we are screwed. Pardon the English.

Q27 Graham Stringer: Do you know if the reason that the trains go so slowly to Plymouth, when the line is up, is to do with signalling or is primarily signalling?

Councillor Evans: It is partly to do with signalling; yes, it is. It is the track, of course, as well. We have the Devon banks and it means that you have speed restrictions anyway. A modest signalisation project between Penzance and Exeter would deliver substantial benefits, enabling the train operating companies to run faster trains, closer together. Their problem at the moment is that the signalling is not of a sufficiently good standard to be able to do that safely.

Q28 Graham Stringer: Have you put that point to Network Rail?

Councillor Evans: Yes, we have—

Q29 Graham Stringer: What is their response?

Councillor Evans:—and the Secretary of State. Again, the Secretary of State heard us today. You can ask if he would like to promise. That would be handy.

Tracey Lee: It was very good to hear from the Secretary of State today that he is expecting the first draft of the study by the end of June this year, which I think is really important. The difficulty we have is that we have seen study after study after study. I do not think there is anything else to study. The issue is, where is the investment? There is a study at the moment going on to look at western routes. It started in 2013; it is not going to report until 2015. This is just a whole industry in itself of studies. The issue for us is: do the study, do it quickly, and then let's look at getting the funding that we need that puts the region on par with other regions in the UK.

Q30 Chair: Did the Secretary of State indicate any time for finishing the study?

Tracey Lee: On the current study, he was talking about seeing a draft from Network Rail in June, and we said to him that it would be very helpful if the draft was then finished in time for the autumn statement.

Phil Norrey: Just to back up what Councillor Evans said, there is a package of things you can do which would considerably speed up the line; of themselves, many of the elements of that package are relatively modest. It will be about signalling, track alignment and the quality of rolling stock. Our rolling stock for our premier service trains—the high speed train—was introduced on to the West of England line, to the far south-west, in 1979; that fleet was introduced in 1976. That gives you an idea of where we are in terms of the pecking order. There is no other main line which is running with 35-year-old rolling stock.

Q31 Chair: Mr Uzzell, do you want to comment on this point?

Charles Uzzell: In terms of the issue of the signals, I absolutely endorse what Phil said that a range of relatively modest investments comparative to other investments going on in the UK would make a massive difference. Even the route to Plymouth, the 15th largest city in the UK, is not on the strategic rail network. It is not regarded as part of the strategic route at the moment and it needs to be, as does the line down to Paignton. Relatively small amounts of investment here, on a range of things, will significantly increase speeds. Yes, it will materially increase speeds if we were to do that.

Picking up the point about the economy that was raised earlier, our economies are less than the EU average in the far south-west. Cornwall is a less developed area, Torbay and Devon is a transition area, partly because of chronic underinvestment in infrastructure over the years. The potential for growth in our part of the world is substantial if we get the support and investment. The investment needed, compared with other parts of the country which is being promised, is relatively low, so our ask is incredibly reasonable.

Q32 Graham Stringer: I just want to make a small point and make another point afterwards. Studies are often a synonym for long grass, and it seems you understand that. At the moment, if I want to travel from London to Plymouth, what time does the first train get in?

Councillor Evans: The first train gets in at 11.15 am. In fact, you can be in Edinburgh five minutes after that, and that is another 100 miles further along.

Q33 Graham Stringer: I want to go to Plymouth on this occasion, not Edinburgh. So it is quite difficult to come and do business in the morning.

Councillor Evans: That is exactly right.

Q34 Graham Stringer: That is the point. A completely different point I wanted to make is that we have heard that, with regard to the Somerset levels, a number of the agencies are not working well together and are coming up with different solutions. Are Network Rail working closely with the Environment Agency, and are they coming to similar conclusions?

Councillor Evans: Can I give you an example? I was in Exeter last week with Ed Miliband and Ben Bradshaw. We were at Cowley bridge. We were explaining to Ed that, with regard to Cowley bridge, basically the scheme from Network Rail is to take away the ballast, replace it with concrete and raise the signals up, so that the railway is brought up quicker after a flood. That is the Network Rail scheme. Then literally next door to that scheme is the Environment Agency scheme. The Environment Agency scheme next door is designed to save Exeter from flooding, because that is their modus operandi, and that means raising a barrier to flood the railway line. Now, that is literally next door. EA are doing one thing and Network Rail are doing another thing.

Q35 Graham Stringer: And they are in direct conflict with each other.

Councillor Evans: Yes, they are indeed, and they are not joined up. It is your classic Government project there, isn't it—two Departments or two agencies not working together?

Q36 Graham Stringer: Have you put this to both Network Rail and the Environment Agency?

Councillor Evans: Yes, we have. We have raised it with the Minister on a number of occasions.

Q37 Graham Stringer: What response have you had?

Tracey Lee: I have written to the chief executive for the Environment Agency, who has said that he doesn't feel the schemes are in conflict, but, I am sorry, we fail to see how those schemes are not in conflict. Effectively, the moment you put that barrier up across the railway line and you give somebody the keys to it—and we don't know who—you switch the railway line off. As we have seen in Plymouth when we had some flooding recently,

particularly when the storm surge was predicted, you prepare for those storm surges, and sometimes, if you are really fortunate, they don't happen. If you have closed the railway line in anticipation of flooding and then it doesn't flood, you have actually closed the far south-west for business. So those schemes cannot go together. They are not working together.

Q38 Chair: Are you still in discussion on that issue with the Environment Agency and Network Rail?

Tracey Lee: We are and we will continue, and we would love to have further conversations about how those schemes could work together, but the most important thing is that Network Rail and the Environment Agency sit in a room together and someone just knocks some heads together to make sure that these schemes are working together.

Q39 Mr Sanders: They are very interesting statistics from the Dawlish line and a real economic driver of the south Devon economy, but, of course, it would be completely destroyed if that line was no longer there. We are talking about the far south-west, and, if we are united in the far south-west, then we obviously have to look out for all communities within the far south-west. You seem to be united on the idea of cutting the journey time to London by about 45 minutes. Is it not possible to do that east of Exeter and maintain the Dawlish line? That is the question that I would pose.

Chris Pomfret: I have not mentioned reducing the rail time, because when you come from Penzance, whether it is five and a half hours or five hours, it is a long time. What is much, much more important is that you put wifi on the trains, and we are pleased to see that that is now going to happen. Much more important again would be to upgrade the sleeper service, because, just like everything else that is old-fashioned, if you look at the Scottish sleeper service and you look at ours, you are talking about the 1930s compared with the 2000s, and for some reason that has not been built into the new franchise.

Going back to the question about signalling, Cornwall is prepared to spend £30 million in the next five years, together, to improve the signalling from Plymouth to us. That would enable a half-hour service. If we don't get the resilience further up the line, we are not going to spend that money. We are prepared to spend that money because rail travel in Cornwall is increasing. As I say, it has doubled. That is improving the signalling.

The other part of your question you ought to address to Network Rail because, as I understand it, Reading station was one of the big bottlenecks, and that apparently is solved. The second big bottleneck is rolling stock, and that is why you will find that all of us have supported the idea of electrifying the main line to south Wales, which may sound odd, but what that then means is that those rather old diesel units can come on to our line and then you can upgrade our line in terms of frequency because it is actually rolling stock. It is signalling, rolling stock and Reading station, as I understand it, that was holding us back. Reading station is being addressed. If you electrify the south Wales line, you get more rolling stock, and then it is signalling. We Cornwall are prepared to put money in—as I say, I am talking on behalf of us and the council—for our part of it because we would like a half-hour service. Then you start to have a resilient service. We are not talking about getting rid of Dawlish. In

one sense, our view is that we want a resilient railway line. The only likely one to do in the short term is Dawlish.

Q40 Mr Sanders: You can't get rid of Dawlish because it protects the town. You have to have a railway line—

Chris Pomfret: Completely; so it is Dawlish.

Q41 Mr Sanders: As a Select Committee that has, obviously, an interest in protecting the taxpayer, I don't see there being money to have both another line and maintain the Dawlish line. One would go at the expense of the other. I am looking for unity on how we improve the service between the west country and London, and that means not having floods on the Somerset levels that close the line, not having landslips between Exeter and Honiton, not having the line closed at Cowley bridge, and ensuring that the resilience there is better and that the services are more frequent and hopefully faster.

Councillor Evans: Forgive me, but we are not talking simply about resilience here. I know this is what the Select Committee is talking about, but what I am saying is that we need to be more ambitious than simply putting back what is already there. We need to be more ambitious than simply restoring the line speeds to what they were three weeks ago. It is interesting that you say there is not enough money. The money is there if the will is there. If we look at it, on the electrification project between Bristol and Paddington, there are 16,500 million who use that line, which is roughly £473 per passenger journey for that project.

Q42 Mr Sanders: Councillor Evans, with the greatest respect, you are in charge of Network Rail; you have just invested millions of pounds on this new line; you now have to maintain two lines rather than one. What are you going to do? You are not going to maintain both lines, and that is the reality. So, at least in the foreseeable future, in the remains of my lifetime, it is Dawlish. What we therefore have to do is to improve the line east of Exeter to improve the connectivity with the rest of the country.

Councillor Evans: But, Mr Sanders—

Chair: Mayor Oliver, do you have a comment you would like to make on this?

Gordon Oliver: I fully support Adrian's view. The priority should be the existing line so it has a substantial life both for sea protection and coastal defence and, of course, the opportunities there will be in due course for electrifying the line. There is nothing in the south-west that is electric. That has to be one of the major policies for the future. With the existing system and the existing track, with electrification you get greater speeds going out of stations on the bends and it improves the delivery of the service far better. There is nothing in the west country that offers us that, so we all see that as a major priority right down into Cornwall. That is something we all agree on and it is something the Government should look at very, very seriously. Adrian has made some very good points there.

From the small-scale issues that have been highlighted by Phil, we have 2.5 million people crammed into small trains. We need, on a local basis, a number of small trains, which I am sure will come our way when you are doing alterations near London or in Wales. We

have 2.5 million people, on an annual basis, crammed into insufficient accommodation, with students, travellers and business. It is offputting for rail users, so I make that as a plea which I think is achievable.

Q43 Chair: Mr Norrey, what is the Devon view?

Phil Norrey: The Devon view is that the first priority is to restore the line and to make it as resilient as possible. That is absolutely clear among all of us. Everyone is agreed on that. In terms of the potential alternatives or the additional lines, clearly the Okehampton route, which has been put forward by some, is only possible as a diversionary route. It will be very desirable for a whole load of reasons, but there probably isn't a business case for it as an additional line because it would not save anything; it would just be used very occasionally. The most likely additional route would be a cut-off between Exminster, for instance—for those of you know the local geography—and probably the back end of Dawlish, which, if you take the example of the 1937 Great Western proposal, would be a line of seven miles, three furlongs and seven chains, as it was in those days from the Act. It would be a relatively short section of line to maintain. Our view, collectively, is that we have to see whether the study supports the business case and the feasibility of that. Is it actually cost-effective?

To go back to an earlier question that you asked, Adrian, there is plenty that we can do to shave time off line speeds both to the east of Exeter and to the west of Exeter, through signalling, track alignment and better rolling stock. We have to focus our efforts on the achievable and let's see what the business case throws up in terms of additional lines. From the Devon perspective, the Dawlish line has got to stay. It fulfils a very important part of our local transport network.

Chair: Thank you very much. You have made your views very clear to us and we will pursue the various issues that you have raised. I would like to thank you all for coming.

Examination of Witnesses

Witnesses: **Mark Carne**, Chief Executive, Network Rail, **Patrick Hallgate**, Route Managing Director, Western, Network Rail, and **Mark Hopwood**, Managing Director, First Great Western, gave evidence.

Q44 Chair: Good afternoon and welcome to the Transport Select Committee. Could we have your name and position, please?

Mark Hopwood: Mark Hopwood. I am the managing director at First Great Western.

Mark Carne: Hello. I am Mark Carne. I am the chief executive of Network Rail.

Patrick Hallgate: I am Patrick Hallgate. I am the route managing director of Network Rail for Western.

Q45 Chair: Thank you. A particular welcome to Mr Carne. This is your first visit to the Transport Select Committee since your recent appointment. I am sure it will be the first of many.

Mark Carne: Thank you very much.

Q46 Chair: Mr Carne, in 2010, Network Rail got it very wrong. Network Rail told the then Under-Secretary of State for Transport that the flood defences at Dawlish would be sustainable for the foreseeable future. It did not happen. Do you know what went wrong there, and, perhaps just as importantly, what are Network Rail's assessments now in terms of resilience and why do you think you have got it right now?

Mark Carne: There have been quite a few studies done on the Dawlish wall over the years, using wave and weather data from the Met Office and so on. Those have consistently shown that, actually, the wall is quite resilient. Indeed, over the last 120 years the wall has never been breached. However, we recognise that, with climate change, the rising sea levels and increasing storm forces, that that was not likely to persist for ever. These studies have shown that within the next five or 10 years we would need to do some further works to Dawlish, and that was in the plan.

It is fair to say that the weather conditions that we saw in February were, really, the worst that have been experienced in living memory and beyond. The waves were several metres above the railway and just swept the wall away. It was an enormous storm, and then it was followed 10 days later by another enormous storm, which then did further damage to the railway. What we can see is that we have suffered enormous damage to the railway and that is going to take some time to repair, but it is a sign, perhaps as much as anything, of changing weather patterns and much more significant and serious storms.

Q47 Chair: Are you saying that looking back on it now, even with hindsight, you do not think Network Rail could have done any more?

Mark Carne: We used historical data on the weather conditions that have prevailed over the last years to do the analysis. What we all have to recognise is that perhaps historical analysis of weather patterns is not an adequate predictor of future weather patterns. Given that, we will need to reconsider the defences that we have, both in terms of coastal defences and flood defences across the country because perhaps the weather patterns are going to be much more severe than we have seen in the past.

Q48 Chair: What changes are you going to make now in terms of assessing the weather patterns for the future?

Mark Carne: We obviously have to rely on the expertise of the Met Office and others to give us the information about weather patterns. We are not the weather experts. We take that information from those other experts. What we have committed to do right across the network as a whole is complete a series of climate change resilience studies, which will look

at the network and we will report those out in September this year. That was part of our commitment in the next—

Q49 Chair: Which areas will that cover?

Mark Carne: That will cover the complete network. We will look at the whole of the network route by route for these climate change resilience studies. Obviously there are some very specific things that we need to do for Dawlish.

Q50 Chair: In relation to Dawlish, what are your immediate plans?

Mark Carne: There are three phases to the way we have to tackle the issue of Dawlish. First and foremost, and of course most pressing, is to restore the railway. We have been working night and day, since 4 February, with a team down there to get the railway back up and running. As you well know, in the first few days we were able to stabilise the situation and provide some protection to the worksite, but then there was another enormous storm which then swept even more of the track and the ballast into the sea. But since then I have to say we have been making some tremendous progress, and over the last week we have been managing to get work really almost 24 hours a day, so I am quite optimistic that the work is going very well.

Q51 Chair: When do you expect trains to run through Dawlish again?

Mark Carne: We felt it was very important to be able to give a backstop date so that the train operating companies could start to sell advance purchase tickets again, and so we set the Thursday before Easter as a backstop date and that allowed First Great Western or others to start to sell tickets. What I have said is that early next week I expect to come back with an update. I am very hopeful that we will be able to bring that date forward, but there are the highest spring tides of the year in the coming few days and, if that is combined with further storms, there is the potential still for some setbacks. We are not out of the woods yet, which is basically my message, but in a week's time we will be able to give a much more definitive date of when we hope the railway to start. As I said, we are working absolutely flat out to get the railway back up and running. As a Cornishman myself, I know just how important that railway is. I have been down to see the Dawlish site three times to check on the status of progress and I am satisfied that everything that can be done is being done.

Q52 Chair: Next week you will be giving a date.

Mark Carne: Yes. Next week I don't think we will give a specific date but we will give, hopefully, an accelerated window, to allow the train operating companies to open up their ticket sales for a longer period of time.

Q53 Jim Fitzpatrick: I would like you to respond to the comment from the regional representatives, either Mr Carne or your colleagues, about the bus replacement service from

Plymouth being faster than the train, because that would be an interesting view as a general policy matter, but I would like to explore the Dawlish situation, if I may, at the moment. From what you have just said, it suggests that you have an end date that you hope to finish it by, but you have not published a schedule of repairs and milestones on the route there, on the basis of the uncertainty of the weather, the spring tide and so on. Would that be fair? Will you be publishing a route map next week when you have a clearer view of what progress has been made?

Mark Carne: I will be happy, next week, to give a clearer indication of the time scale of the individual elements, but, so far, we recognise that this was a rather unique operation and subject to a great degree of uncertainty, particularly in the early phases. We knew that there were significant storms still to come, and, before you get the first foundations in, there is a degree of uncertainty. We are almost past that now. As I said, we really have made, in the last week, great progress. That will allow us to give a much clearer indication, in a week's time, of both the steps and the completion date.

Q54 Jim Fitzpatrick: You would have heard me perhaps earlier asking regional representatives if they thought the repairs could have been completed more quickly, and they said they are not engineers. Is what you are doing the best way to do it and the quickest way to do it, the most expensive or the cheapest, because you obviously have priorities and you have limited budgets? What was the criteria you used in determining how it was going to be approached, how it was going to be done and the amount of time that you thought would be acceptable?

Mark Carne: The first criterion was the safety of the work force. That is absolutely critical. To begin with, it was a particularly hazardous worksite, which prevented us from putting people in there to begin with. That is the first criteria. The second criteria, undoubtedly, has been speed to return the service to normal. That is absolutely critical.

We started out, in the way that one would normally do, with bringing the engineers from around the different parts of the company together to come up with different ways of tackling this task. It is in quite an awkward spot because of the houses, the location and the logistics, so there were quite a number of things to consider in this. We then had the draft plans that we had reviewed by other consultants as well, so we had a fresh pair of eyes come in and say, "Can you think of a better way of doing this?" Indeed, they came up with some refinements to the overall plan to help us do it a little bit quicker and simpler. I am satisfied that the team did an excellent job in moving as fast as they could to action, but also having a good plan and one that we are really confident will be robust for the future.

Q55 Jim Fitzpatrick: Financial constraints did not impact on your ability to get the job done as quickly as possible.

Mark Carne: No.

Q56 Jim Fitzpatrick: You would have probably heard the comment about the replacement bus service being quicker than the train. Is that a fair analysis?

Mark Carne: I will leave that one to Mark.

Mark Hopwood: That has been true on some journeys. It is a fact that we have 125 mph capable trains on the London west of England InterCity route, and they only travel at that speed for the first 36 miles of their journey to Reading. As you travel around the sea wall at Dawlish and you travel across the Devon banks, it is not the fastest train route in the UK—that is true.

Q57 Chair: Mr Hopwood, have you been involved in discussions about when the line will be fit to use?

Mark Hopwood: Yes. We have had extensive discussions with Network Rail, and all the information that Mark Carne has shared with you this afternoon has been shared with us so that we can help plan our business, inform our customers and get the ticket sales for specific trains back on sale as quickly as we can.

Q58 Graham Stringer: I wouldn't totally rely on the Met Office for your forecasts. They forecasted a slightly drier than normal winter this year. Did you spend your full budget on the maintenance on the Dawlish section?

Mark Carne: So far as I know, but, Patrick, perhaps you can address that specifically.

Patrick Hallgate: Over the past seven or eight years we spend, on average, about £500,000.

Q59 Graham Stringer: That has been spent, has it?

Patrick Hallgate: It has been spent. This year, indeed, we have spent more than any of those previous years. That maintenance budget includes an inspection regime on a regular basis and following any storms that occur, but it also includes minor repairs as well, so that money is about £650,000 due to be spent this financial year just finishing.

Q60 Graham Stringer: You heard the previous discussion, did you, that we were told the Environment Agency was planning to flood to protect areas further down the line, while you were building signals on concrete posts, and that those policies seemed to be in conflict? Can you tell us about your discussions with the Environment Agency on that and if there is likely to be a resolution of that issue?

Patrick Hallgate: I wasn't party to earlier discussions, but, in general terms, it is fair to say that following last year's storms we had extensive discussions with the Environment Agency over Cowley bridge and some other areas in the south-west, which have led to a much better relationship in terms of the way that we work together collaboratively, looking at mutually beneficial areas of flood prevention from a railway and housing perspective. Indeed, we are shortly due to sign a memorandum of understanding on a national basis with the Environment Agency about how we can work better together.

Q61 Graham Stringer: Are you aware of a particular point where you are lifting signals up to protect them, and at the same time they are planning to flood fields next to them and close the line early as a way of protecting elsewhere? We were told that those policies were not compatible.

Patrick Hallgate: That sounds like the Cowley bridge incident itself. The issue wasn't about the flooding of the railway; it was about the protection of Exeter. We have moved to a point where we are working together on a joint scheme now, but it is fair to say this time last year we had got to a situation where their plans for a scheme weren't taking full account of the railway's requirements. We have moved beyond that now.

Q62 Graham Stringer: Is it resolved?

Patrick Hallgate: We haven't finalised the scheme, but the discussion has moved to a point where there will be a mutually beneficial situation or outcome.

Mark Carne: There is a broader issue here, which is about whether you can use railway infrastructure for flood defences, and is that the right thing to do? This is what the MOU, with the Environment Agency, is set to address so that we work closely with them so that we can understand the limits of using railway infrastructure for flood defences, because, of course, most of these railway embankments and structures were never designed with flood defence in mind. So we really need to work closely with the Environment Agency to make sure that their plans for flood defence are aligned with the best interests of the railway as well.

Q63 Graham Stringer: When do you expect that to be resolved, and is it affecting the speed with which you are investing?

Mark Carne: We are going to sign this MOU with the Environment Agency in the next few weeks and we will be working closely with them over the next months as part of this input to the overall climate change resilience plans that we will be putting together.

Q64 Graham Stringer: I wasn't aware that you were not watching the previous session, but we were told that, for a relatively modest amount of money to improve the signalling, the speeds on the routes could be improved dramatically. Do you agree with that, do you have plans to improve the signalling, and will it be improved?

Patrick Hallgate: We are currently undertaking a west of England study in terms of, obviously, the redevelopment of Reading, which is currently the biggest capacity pinch point in the south-east. The whole of the south-west benefits from the investment in Reading, from a train service perspective.

Q65 Graham Stringer: That is taking place at the moment.

Patrick Hallgate: That is taking place at the moment. As part of the next round of studies, we look at the wider south-west of England and the connectivity to the south-west.

We are aware, obviously, of Plymouth's aspirations of how to get a sub-three-hour journey from Plymouth to London and we will feed that into the study that is currently under way, which looks at line speeds between Reading and into Devon. We are actually looking at that, which is due for publication in October.

Q66 Graham Stringer: Before the line speeds are improved, if that is indeed what you decide to do, is it possible to use the network in a way that would get a train from London to Plymouth before 11.45 in the morning, which makes business in the morning impossible?

Patrick Hallgate: That whole debate is around the balance of capacity. When you have five of the top 10 most overcrowded trains in the UK currently coming into Paddington, the balance of capacity is really important. You could achieve that, but you would have to cut out stops on the way from Plymouth to London to achieve. So, while it is physically possible, the question would be, is it a good use of balance and capacity in the peak into Paddington? That is part of that wider study, but at the moment, while ever you have the crawling pattern that you have with the trains, it does not give you the optimum solution for Plymouth and for the rest of the network.

Q67 Mr Sanders: The whole of the west country is very grateful for the work that is being done—the very hard work in the very difficult conditions in which it is being undertaken by Network Rail staff. We are also grateful to First Great Western's customer support staff, who are doing a fabulous job of helping customers transfer from train to coach and coach to train and also keeping the spirits up. I think that is the best way of putting what I have seen on the ground, and that ought to be on the record. I think you have coped in a crisis very, very well. Can I just ask about the current repairs? Will they provide a long-term solution to the ongoing problems at Dawlish?

Mark Carne: As I said earlier on, there are three steps. I have described the first step, which is the immediate repair. The second step is how we make the Dawlish railway more robust to the kind of storms that we have seen in the future, because the repairs that we are currently doing are basically not like for like, but we are restoring the railway so that it is broadly the same. We will be kicking off a study in the next couple of weeks to look at that, to see what kinds of measures could be taken to really make the railway there more storm-tolerant. That may mean having to put a breakwater in front of the wall at the moment or it may mean putting some breakwater further out to sea to absorb some of the energy of the waves. Those sorts of studies need to take into account the full impact of the changing weather patterns and the changing current patterns and so on, and the way in which waves may move and be deflected so that you don't create any unintended consequences. It is an important study that we will do over the coming months, but we are very clear that we will need to do something more to increase the robustness of the railway in Dawlish.

Then the third phase is the longer-term option of, potentially, additional routes into the west country, either restoring some of the older railway lines that were taken out of use in the 1960s, or potentially creating new routes that will bypass Dawlish or create another route around Dawlish. That work is something that we will commence very shortly. At this stage we do not have a preferred option on this. We are in a divergent phase of collecting people's

ideas and thoughts about what all the alternatives are that should be considered in this, and we hope to consult with stakeholders in the next couple of weeks to make sure that we have really captured all of the ideas in that. That work will then be studied over the next few months, with the hope that we will be able to come to a conclusion as to what will be the viable options, from a broad socioeconomic perspective, by the autumn.

Q68 Mr Sanders: You say no preferred routes, but on 10 February Mr Hallgate was interviewed by the BBC, and you referred to an outline study last year into a northern route around Dartmoor. Will you be publishing this study and, if so, when?

Patrick Hallgate: That was an initial look at one of the five options that go into that longer-term study. It is fair to say I did say what I said in the interview, but it was not necessarily quoted in context of the wider study that indeed Mark has already—

Mr Sanders: We've all been there.

Patrick Hallgate: Mark has just outlined a study which is the study I was talking about. One of those five options was picked up on as having chosen our option. That is not the case at all. Into the study go the five options, plus any other routes that come out of the optioneering.

Q69 Mr Sanders: It would be fair to say that you have obviously looked at some outline studies. Do you have any figures as to what the cost of those alternatives might be?

Patrick Hallgate: Only of the Okehampton line, which was looked at in a broad brush context last year. To reopen in the state that you have had before it closed, the figure was in the order of £500 million to £700 million. That is principally governed by a number of factors. We don't own it, for a start. It has had places where it has been built on already, and there are a numbers of bridges, tunnels and viaducts that would require rebuilding because they have not been maintained since closure in 1968.

Q70 Mr Sanders: I have just one quick question to First Great Western. As a Network Rail customer, are you satisfied that the track at Dawlish can be made fit for purpose in the long run?

Mark Hopwood: Like a number of people who have sat here today, I start by saying I am not an engineer, so I will leave that to the engineers in terms of what is achieved. From our perspective, we have seen pretty continuous efforts by Network Rail to maintain the route through Dawlish. It is worth noting that this is the first time in a very, very long time, if ever, we have seen this level of damage; so we have to recognise that. The key focus for us is on getting the railway back and making sure that Network Rail have the access they need and the funding to maintain it in such a condition that it is open, hopefully, all the time.

Q71 Chair: Are you satisfied, Mr Hopwood, with the way that Network Rail are working with you? Do you feel that you are involved enough?

Mark Hopwood: I am really pleased, actually. We have had very close dialogue. I never imagined, when the new chief executive of Network Rail was appointed, that I would spend that much time with him in his first few weeks. We have had a very, very close dialogue. We understand exactly what is happening. We have discussed the implications for our business and that has been built into the plan; so we are very happy with that.

Q72 Martin Vickers: Just sticking with Dawlish and the west country for the moment, understandably, the focus tends to be on passengers. What impact has it had on the movement of freight and how has that been overcome?

Patrick Hallgate: Currently, in that area we obviously have engineering trains, from our perspective as well. We were due a track renewal on the other side of the line that is blocked in the next week or so, which obviously has been affected by this. There is a freight operation just out of Heathfield, just north of Newton Abbot, which is one train a week of timber that goes to a kitchen factory. We are looking at alternative access for them. Obviously, they road the timber up to there and use it as a rail hub. We are looking at alternatives for them, exploring at the moment whether we could use an area we have in Exeter to provide that. We are still at the discussion point of trying to make that site fit for purpose, but other than that it is not a largely used freight area.

Mark Hopwood: On a related theme, the vast majority of our focus is on our passengers and customers, but it is also worth pointing out that First Great Western's main engineering facility for its high-speed trains is in Plymouth and that is where we do all the heavy overhaul on our power cars. We have had to put in place quite a big logistics exercise to move some rolling stock by road across the gap. Where we have not moved the trains, we have moved our people, and over 90 of the staff at our area depot in Plymouth have spent a week away in a hotel at Bristol or London working in our maintenance depot there. So there is a lot of effort going in to make sure we maintain the rolling stock even though we are cut off from one of our main facilities.

Q73 Martin Vickers: Moving on to the national scene—Network Rail as a whole—what is the latest estimate of putting right the flood damage, and can that be met from existing resources?

Mark Carne: We have suffered enormous damage across the network as a whole. I would really put it into four broad categories. We have had the coastal erosion damage obviously at Dawlish but also on the Cambrian coastline, where we have lost an enormous amount of railway. We have had extensive flooding—I mean flooding on over 280 sites across the network as a whole. Of course, in places like Bridgwater, the railway is still under water. We have also had very unexpectedly or, rather, without any precedent, should I say, groundwater issues and groundwater flooding. The most serious of those was at Maidenhead, where we had literally the water coming out around the ground. Then the fourth area really has been landslips, which has been a serious problem for us. We had over 50 landslips in Kent alone, where normally one would expect two or three a year. These are the four different broad categories of major issues that we have had to deal with over the last three or four months.

So far, specifically to answer your question, we estimate the cost so far in the region of £170 million, but that is a fairly broad brush estimate and is subject to further clarification as the full extent of the works materialises. The way we work is that we have to absorb that cost and find savings and more efficiencies in the way we work to cover that cost, and that is what we will do.

Q74 Martin Vickers: It will have an impact on both capital and maintenance schemes elsewhere in the network.

Mark Carne: No, that is not the case. We have a programme of work to do, which we will execute and do, but as a company we are striving to find better ways of working and striving to find new ways of working to increase the efficiency of the way that we deliver the network. We will do our best to find ways to absorb these costs within our overall structure.

Q75 Chair: Are you giving a commitment, Mr Carne, that no projects that were planned for the next control period are going to be either cancelled or significantly postponed?

Mark Carne: That is correct, yes; absolutely.

Q76 Chair: That is an absolute undertaking from you.

Mark Carne: Yes, absolutely.

Q77 Jim Fitzpatrick: I have just a couple of points of clarification, if I may. Mr Carne, are the repair works at Dawlish continuous or have they been affected by the weather and by the tides at the moment, and, if they are, how disruptive has the weather been to prevent your people being on site as much as you would want them to be?

Mark Carne: In the first few days we had very limited access to the site. Then we put in place these shipping containers with several hundred tonnes of rock in it, to provide some shelter and protection. That enabled us to start work, but then we had another huge storm. This was another storm of the sort you only have once every five or 10 years. It was a very big second storm. That caused some more disruption. After that, we were able to work around 18 hours a day, but in the last week we have been working pretty much 24 hours a day. So it is partly calmer weather and partly tidal, but we have really been cracking on.

Q78 Jim Fitzpatrick: Thank you. My apologies for assuming you had heard the last set of witnesses giving evidence; I just assumed that you were in the room. Mr Hallgate mentioned the publication of the study in terms of Reading in the west, expected in October. The previous witnesses have said that, in a meeting with the Secretary of State today, he said that he expected to have a draft report by June this year. Would that be the same report and is that the timetable within which you are expecting to see publication?

Patrick Hallgate: That is right. The Dawlish element is June, and then they go into a wider study, which is beyond that and into the whole of the south-west, for publication in October, so it is the first part of a two-part study.

Q79 Chair: I appreciate that there will have to be a lot more discussion about exactly what happens in the future in relation to reinstating the Dawlish line, either on its own or together with another line, but there have been some proposals for the construction of a new or reinstated rail line to bypass the sea wall in Dawlish. Is that something that is practicable?

Mark Carne: That is part of the study that I referred to earlier on, where we were gathering the ideas about these different alternative routes. There are at least five different alternative routes, and that will be part of the study that we will commence in a couple of weeks' time when we have collected all the different ideas from different stakeholders.

Q80 Chair: Can you give me a clear idea of your timetable from now on and the process that you will be engaged in in assessing views on what alternatives there might be and then considering what could be viable? Can you give me a picture of it? You did say that you would be starting a study within the next two weeks. What is likely to happen from there?

Mark Carne: Yes, certainly, Madam Chair. The idea is that we want to try to ensure that we have collected all of the different ideas from people. As I say, this is the divergent phase where we are collecting the ideas and we will try to land that within two weeks. We will then publish: "These are the ideas that people have suggested, these are the things that we will then look at." There will then be a study that will be executed over the coming months that will look at all of those options and come to some recommendations as to which are the most viable, if any of them are, and which is the most viable to create an alternative route into the west country.

Q81 Chair: Do you have any date for when those final proposals will be considered?

Mark Carne: The idea is to have a pretty firm idea by the middle of the year, around June. Then it will go into the broader studies that will be published later in the year, in September/October-time.

Q82 Chair: Will the funding for the study come from existing resources or will it be diverted from other sources?

Mark Carne: We had funding already, and we have funding already for our climate change resilience studies, so we will have funding to cover the study.

Q83 Chair: Mr Hopwood, you obviously have a commercial interest in what happens. What is your current position? Are you being reimbursed for not being able to run the service? Could you tell us what the position is?

Mark Hopwood: The standard industry arrangements apply, so there is compensation from Network Rail where we are not able to run trains, but we do have to bear the cost of running the buses as part of that compensation, the extra train movements that I spoke about earlier, moving all our rolling stock and staff about; and, obviously, what we are seeing at the moment is less people travelling, partly because of the very severe weather but also because of the longer journey times. That, all together, has an impact on our business. Even when we get the train service back up and running, which I hope we will very shortly, there will be a longer-term effect on our revenue which will have an impact on us.

Q84 Chair: What would the impact be on your business if it was no longer possible to run services to south Devon due to the construction of a new inland line from Exeter to Plymouth? If that happened, how would that impact on your business?

Mark Hopwood: That would impact us because part of our operation is running both local services and some fast trains from London that do stop at places like Dawlish and Teignmouth, and a number of those trains carry on to Newton Abbot and Paignton. As most members of the Committee will understand, I operate a franchise. The franchise from the Department is very clear on what we need to provide, and we need to provide a train service to all those local stations between Exeter St Thomas, through Dawlish and Teignmouth, to Newton Abbot. That is part of our business, it is part of our franchise, and you heard the regional representatives earlier telling you that we are moving very large numbers of local passengers on those journeys—people travelling to schools, college and work, as well as holiday makers. That business has been growing and growing quite substantially.

Q85 Chair: Mr Carne, what would be your message to the people of Dawlish and the south-west generally in terms of making rail infrastructure resilient to the kind of weather that we have been experiencing recently? Do you think it can be done?

Mark Carne: First of all, I want to express my appreciation to them for their patience and understanding of the situation that we are in. I must say they really have been tremendous. The support that we have had from the public is hugely appreciated and it makes a big difference to the people who are out there working night and day to restore the service. What I would say is that we will do our best to get the service up and running as quickly as we can, and that is where our absolute focus is, but we are not satisfied with that alone. We then have to look at how to make the Dawlish railway stronger for the future so that we don't have this kind of disruption again in the future. As part of that, we have to consider alternative routes into the south-west that could complement the Dawlish route. That is the programme of work that we have under way.

Chair: Thank you very much and thank you to all of you.

Examination of Witness

Witness: Rt Hon Patrick McLoughlin MP, Secretary of State, Department for Transport, gave evidence.

Q86 Chair: Welcome to the Transport Select Committee, Secretary of State. In January 2013, Network Rail proposed a £31 million rail resilience programme specifically for the south-west. The money for that was not set out in the autumn statement. Why was that? Was that negligence? What was it?

Mr McLoughlin: It wasn't negligence. There is a lot of money that Network Rail spend that we do not necessarily set out in either the Budget or autumn statement, and that was part of a programme of 10 or 11 different items which they wanted to work on, and we wanted them to work on. Some of it was easier. For instance, there was always the planned work that was going on on the Whiteball tunnel, which was a £15 million scheme. Part of the resilience that was included in that was included in the Whiteball tunnel project, which was already in the programme and was going to be done, so some of these issues are dealt with in a more longer-term way.

Q87 Chair: Do you have any regrets that that money wasn't provided in a very direct and specific form?

Mr McLoughlin: I don't think it would have made any difference to the horrendous weather conditions that we saw or would have made any impact as far as what we saw around Dawlish was concerned. That is where we have had the major problem as far as the rail network is concerned, and I don't think any of the 11 schemes would have had an impact on what we saw at Dawlish.

Q88 Chair: The Prime Minister has now said that there will be £31 million funding for winter resilience and transport in the south-west. Is that going to be enough, and is that a commitment that really is going to be met?

Mr McLoughlin: Certainly, that commitment is being met, but one of the other things that I have also done is to ask Network Rail to look at the more longer-term resilience for the south-west so that we are not just looking at those particular schemes, but there will be a much more detailed report done by Network Rail as to how to service the south-west. A number of projects and proposals have been put forward and I want those to be looked at, and looked at properly and carefully, so that we can do a much longer-term plan as far as resilience is concerned. Quite often, as you will know and the Committee will know only too well, these projects are planned over a certain length of time. Some of the planned projects on the £31 million scheme are not planned for straight away but when other work is being done in the area.

Q89 Chair: We have just been questioning the new chief executive of Network Rail. He said to us that he felt the problems that were experienced this year and the failure to provide the necessary infrastructure was to do with following historic weather forecasts. I

think that was the term he used. What is going to be different for the future to enable us to anticipate what the weather will be in a reasonable way?

Mr McLoughlin: We have to adapt. We have to look at what circumstances we get. There is no doubt that the storms that we saw at Dawlish were unprecedented in recent years, but, having those storms taking place, having forecasters and scientists saying that we may get more regular events like that, then we have to look at the way in which we do resilience overall. Although I have asked Network Rail specifically to look at the south-west, in the Department, I am also getting the Department to look at resilience across all fronts and fields. We will be setting up a working group within the Department specifically to look at resilience across the United Kingdom for flooding and particular cases like that. That will be a body which will be worked on by civil servants but it will be overseen, and I will be asking a group of people from the industry to oversee that work and to bring the practical experience that they can bring to challenge what we in the Department are saying. Initially, the overseeing body will be chaired by Richard Brown, who did the report, who was the non-executive director of the Department but who also did the report on the franchising.

Q90 Chair: There is clearly work under way across Government to look at this whole issue of resilience, infrastructure and bad weather. Can you tell us what your role is in those discussions and in that cross-Government group?

Mr McLoughlin: Perhaps I can mention the three things that have been going on. Obviously, Cobra, at which the Department has been represented or I have attended, has been meeting during the weather crisis that we have, and that continues to meet when necessary. Then the Prime Minister has set up a specific Cabinet Committee to look at the flood resilience across the country, so I am a member of that. As far as the Department is concerned, I am talking about how we in the Department for Transport respond to the situations which we saw. The work which I have just outlined to you explains how I am dealing with that, as Secretary of State for Transport, as far as the Transport Department is concerned. That will feed into the various Cabinet Committees that the Prime Minister is chairing and other issues too that we want to address, obviously working very closely with Network Rail and the Environment Agency as well.

Q91 Mr Sanders: Can I thank you, Secretary of State, for the way that your Department has kept south-west MPs fully informed over these past few weeks and particularly your excellent PPS sat behind you there? Has the study that is going to be undertaken been commissioned already?

Mr McLoughlin: Mr Sanders, can I first thank you? As Ian was a member of your Committee, he knows the kind of information that is available to and necessary to Members of Parliament and to the Committee. You are not the only person, as well, who has congratulated Ian on doing a fantastic job in keeping colleagues informed. That has come from other quarters in the House as well, and I am very grateful to Ian for the work he has done. As far as the work that I set Network Rail to do, which I announced at Transport Questions a couple of weeks ago in the immediate aftermath of Dawlish, that work is going to be done by Network Rail and I am expecting the report in July.

Q92 Mr Sanders: And that is looking at alternative routes.

Mr McLoughlin: That is looking specifically at the various suggestions in *The Railway Magazine* and various other publications that I have been reading as to what those other routes may or may not be. There are several suggestions, so, yes, that is looking at alternative routes.

Q93 Mr Sanders: One of the critical questions is whether this study will look at the economic impact in the longer term, both on the cost of maintenance and on the impact on local economies were any existing line to no longer be there. I am not entirely clear that those questions will be addressed in this study.

Mr McLoughlin: We have yet to publish the actual guidance of the way the study will go, but I would want the study to be as comprehensive as possible in coming forward with those proposals. I certainly don't want to see any services taken away that exist at the moment, but we do need to look at whether we have the resilience right or whether there are other things that we can do to improve the resilience on that particular line.

Q94 Mr Sanders: It is one thing to come up with five alternative routes and to put a price tag on each of them, but you do need to know what the implications are of any one of those being implemented above another and what its ramifications are for the existing network.

Mr McLoughlin: That is absolutely the case. The other thing as well—I know I have said this before to the Committee, or at least I think I have said it before to the Committee—is that you can't look at any one bit of the railway in isolation. You do have to look, basically, at the whole structure of the railway. That is why the changes that are taking place at Reading station are very important as far as capacity is concerned. When I say down in the south-west, "Reading station and the works going on there," people look at me as if to say, "What does that have to do with services in the south-west? What does that have to do with services in Cornwall and Devon?" Well, it has quite a lot to do with services in Cornwall and Devon because it will greatly increase the throughput by taking freight off the main lines and not clogging those main lines up with freight from Southampton up to the midlands and vice versa from the midlands down to Southampton. So, although it seems a long, long way away from Plymouth, the work that is going on at Reading will be very important indeed, and that does come to a conclusion next year.

Q95 Mr Sanders: One of the other things is the fear in the south-west about other links—road links, not just rail. The study is being brought forward into the A303. How will that be viewed in relation to the studies into rail? Will there be some overview taken to try and look at this in a strategic and integrated way about the transport means of the far south-west?

Mr McLoughlin: That is more the job of the Secretary of State working along with the local authorities. I was down in Plymouth. When I did the Dawlish visits, I then went on to meet leaders in Plymouth and I met a number of the local Members of Parliament down there, as well as the council leaders and the LEP leaders. That does need to be something that

we take an overview of, but I don't see them as competing issues. The A303 has been long debated as to improvements that are needed on that particular road. We have secured a favourable increase in the roads budget between 2015 and 2020. It is one of the only few Departments that managed to get a long-term settlement. That partly came out on the back of the fact that infrastructure projects do need planning and they do need assurances well before the actual commencement date. Those studies on the A303 are going on. Obviously, the announcements that I made in Transport Questions a few weeks ago were more related to the immediate problem that we saw as a result of, basically, the loss of the Dawlish wall—4,000 tonnes of embankment into the sea.

Chair: I am taking questions at the moment on winter resilience issues because we do have other topics we want to put to the Secretary of State. Ms Champion, is yours on winter resilience?

Q96 Sarah Champion: It is building on my colleague's point. Secretary of State, our first witnesses were the chief execs and leaders of the affected local authorities. While they were complimentary of the Government's response to the Dawlish incident, they did broaden the debate to look at the whole transport infrastructure of their region and they felt that it was woefully letting them down. You have mentioned the road budget. Are the Government also looking at other transport infrastructures for this region, because it clearly seems to be hampering their economic development?

Mr McLoughlin: What I would say is that we have committed over the next financial period of 2014 to 2019 for Network Rail a budget of £38 billion. The work that I have commissioned may come up with some other things that may need to be done more urgently. Planning and making sure you have the right answers is very important as far as rail infrastructure is concerned, but, if necessary, I would certainly want to relook at the plans over the next five years. I would have to have the negotiations to see where we finance that from. I had a group of Members of Parliament in today to tell me that a bit of the line was electrified from Hull to Leeds. They were making the case that Hull is the City of Culture from 2017 and could we get that in in that particular period? This is all part of the amazing amount of requests that I am getting from colleagues about transport infrastructure investment and something I am very happy to try and make the case for and deliver where we can.

Q97 Jim Fitzpatrick: Can I just follow on, Secretary of State, from Ms Champion's question? The regional representatives were very complimentary about the meeting that they had with you earlier on. They thought your response was very positive. With regard to the study coming forward in draft in June and then published in September/October, given that they paint a pretty depressing picture of being let down for decades by successive Governments, are you more confident than not—I know this is crystal ball gazing—that the study will produce more of a White Paper than a Green Paper, given the qualifications you have just articulated about differing priorities and pressures from different groups of MPs, and the unforeseen obviously coming forward? Do you think the south-west has risen as a

result of the recent difficulties and brought their plight more into focus and, therefore, they are more likely to get support this time round than previously?

Mr McLoughlin: I wouldn't like to give the impression that they did not get support last time round. As I say, you can't look at incidents in the rail industry in isolation. I do make the point that the money we are spending at Reading—I will come back to it again—which is £800 million, is very substantial as far as giving better services and better reliability to services for the south-west is concerned. I met earlier today—I know he has just given evidence to you as well—the leader of Plymouth council, who talks about the problems that they have as far as a fast service to London is concerned. They are asking for a service that is faster than three hours. At the moment they don't have that. That would be a major move in the right direction as far as they are concerned. We need to try and look at all the various competing arguments and see if we can make progress.

Q98 Jim Fitzpatrick: Network Rail were quite confident that by next week they will have a much clearer picture of how long the Dawlish repairs are going to take. I am assuming your officials are in daily contact in getting reports. Is the Department happy with Network Rail's ability to deliver a clearer picture of the repair schedule from next week ahead and that it is actually coping with the pressure that it is under at the moment from different parts of the county, but especially over Dawlish?

Mr McLoughlin: Yes. I have been down there to look at the actual site myself. I don't want to go down too often. I hope to go down next time when we are about to reopen the line, but I would say that a huge amount of work and effort is going into that scheme. When you look at it, everyone has seen the pictures, and I think those pictures will live in the minds and be used on many occasions when you saw the walls washed away and the railway dangling above the sea as such. I am rather sorry we have slipped from the original March dates, which we were told, but then there was another very bad storm afterwards and, because that bit of the sea wall was still open, a lot more damage was done. I have every confidence—and I know Mark Carne, who has given evidence to you earlier on, is confident—of having that delivered.

Jim Fitzpatrick: Thank you, Secretary of State, and thank you, Chair.

Q99 Graham Stringer: We have talked a number of times about the people from Devon, Cornwall and Plymouth that you met earlier today. What commitments did you give them that they can bank?

Mr McLoughlin: That they can bank?

Q100 Graham Stringer: You are a charming man, Secretary of State, and you charm us, but what can they actually put in the bank?

Mr McLoughlin: I have been called many things in my time, Mr Stringer, but that is the first time I have been called charming.

Q101 Chair: They told us that it was a very good meeting and we would like to be reminded of the things you have agreed which prove that that is a correct assessment.

Mr McLoughlin: You have a much more forensic way of putting the question there, Chair. Obviously, the resilience programme that we have talked about is £31 million. That money, although it is being worked on, is now there. Look, I have every sympathy for the argument of “Plymouth under three hours,” and it is a question of how we find the capacity on the rail network. The problem is of success. Let’s be absolutely clear that that is what we are dealing with as far as the rail industry is concerned. We have seen an increase in rail numbers from 750 million 20 years ago to 1.5 billion, basically, now every year, so it is a problem of success. It is also a demand problem of people wanting more and quicker services, and it becoming much more important that those services are there.

What I would say, Mr Stringer, is that you should take on board the fact that the next programme for Network Rail, which was actually agreed before I came to the Department, is in excess of £38 billion and is quite a move. I have the figures from the previous rail spending reviews. We have gone up. CP4, which was done in 2007-2008, was £28 billion, so we have increased the programme from £28 billion to £38 billion at a time when there are substantial pressures on public finance.

Q102 Graham Stringer: I criticise the Government for many things but not for their commitment to the capital programme in the railways. What firm commitments are there then to the people of Plymouth, Devon and Cornwall that you have given them?

Mr McLoughlin: We have talked about the £31 million, but that is on top of some other planned work which was going on. That £31 million, for instance, does not include what was just done on the Whiteball tunnel, which is £15 million, which was already in the programme for improvements. There are other areas that we are looking at as far as improving the overall service, but, as I say, I want to see that report in July and I want to look at what suggestions come out of that report and see how we then finance and fund those particular suggestions if they are proper alternatives.

Q103 Graham Stringer: As you say, you have been down to visit people as well as seeing people here. Since the storms started and this line went down in early January, what could have been done better than it actually was done, because nothing is ever perfect? There must be things that you have learned and things that could have been done better.

Mr McLoughlin: I am not sure given the kind of weather conditions we faced. The last time I appeared before the Transport Select Committee I talked about the amount of salt stocks we had ready for a harsh winter snow. I am pleased to inform the Committee that we still have the same stocks because that was resilience planning for the problems that we had in previous years, where, no doubt, previous Secretaries of State have appeared before the Committee and you have said, “What are you doing to build the stocks up?” Well, they are still there. Given the kind of weather conditions that we saw, I am not sure there was much we could have done to protect that particular wall.

Q104 Graham Stringer: We heard from both Network Rail and representatives from the south-west that in one particular area what the Environment Agency were doing to protect Exeter from flooding was in conflict with what Network Rail were doing in terms of lifting the signals. Are you going to use your good offices to try and help resolve that issue?

Mr McLoughlin: Yes. I obviously wasn't here when Mark Carne gave his evidence to you, but there is a much better working relationship between the agencies as a result of what we have been going through over the past months since the Cobra meetings first started. But, certainly, we have to try and get a greater understanding between both Network Rail and the Environment Agency as to their plans.

Q105 Jason McCartney: Secretary of State, it, sort of, follows on from my colleague Mr Stringer, who says, "Don't listen to the Met Office forecasts." Ten years ago it was the wrong leaves on the line; last year on the east coast main line it was the overhead lines coming down in the high winds. Now, of course, it is flooding as well, and you have referred to the salt stocks. I am just interested in what specialist advice you are getting on how to plan for these pretty much unforeseen weather phenomena, or do you think they are one-offs? What advice particularly are you being given?

Mr McLoughlin: They are one-offs on a regular basis; that is what I would say. What I would say there, Mr McCartney, is that we have to learn from all these particular events and we have to try and put a resilience programme in place to cope with all these different events. As you rightly say, over the last few years we have seen many different climatic conditions which have affected our transport situation, whether it is high winds and the problems that we had on the east coast line or the flooding. Let's also remember there was not just flooding down in the south-west but also in the east of East Anglia in addition to some of the problems that we faced. As a result of the Cobra meetings we are looking a lot more across the whole Department. That is partly what I was telling the Committee about a few minutes ago, setting up a resilience committee and just testing the resilience across various parts of the network.

Q106 Jason McCartney: We have this kind of weather event which is very much in the public consciousness at the moment, but, as you have said, we have had a pretty light winter in terms of snow. We had a harsh winter in Yorkshire for the last three winters, and my council have spent millions of pounds on their salt stocks, and their spreaders have hardly been out since Christmas as well. How much of a challenge is it, with the focus on flooding at the moment, to invest money, when money is tight, on weather-affected events on our transport infrastructure which may not happen?

Mr McLoughlin: Then again next year they might happen. Your initial point—I am sorry, I didn't address that—was about the advice and information from the Met Office. The truth is that the Met Office's short-term forecasts are incredibly good. Their longer-term forecasts—and I think they would be the first to acknowledge this—are sometimes not as reliable. Certainly, when I was told that local authorities were told to prepare for a fairly dry winter, that just shows how difficult it is, but the Met Office, on their short-term forecasts, are incredibly accurate and have been incredibly reliable.

Q107 Chair: Do you intend to allocate any additional funding to Network Rail to deal with winter resilience infrastructure issues?

Mr McLoughlin: What I would say there, Chair, is that the money that is allocated to them—£38 billion—is a huge sum of money. Some of that is being spent on resilience; some of it is being spent on improving the rail network, improving signalling and electrification, and so that is there. Obviously, I am awaiting the report, which I have just told the Committee about, from Network Rail about the south-west and I will need to see what the consequences of that report are.

Q108 Chair: Network Rail have just told us that they can deal with winter resilience issues without there being any impact on planned programmes. Do you think that is realistic?

Mr McLoughlin: If Network Rail have told you that, I will be looking very much at the transcripts. That might be very useful.

Chair: Perhaps I should not have mentioned that then.

Mr McLoughlin: Somebody else would have mentioned it. I am sure the Treasury will look at the transcripts as well.

Q109 Chair: I would like now to turn to High Speed 2, on which you have been in front of this Committee before. Indeed, the Government have produced their response to our last report on that. We will be calling David Higgins to the Committee shortly, but can you tell us if his review does indeed include our recommendation for looking at building High Speed 2 from the north to the south as well as from the south to the north? Can you give us any information on that?

Mr McLoughlin: As I have not yet got his review, I had better not tell you what is in it because it would seem that I would know and at this stage I don't know. I know there is a lot of pressure from a number of people to say, "Can we start building the route from the north to the south?" The one problem is that I have not yet confirmed the route for Birmingham to Manchester or Birmingham to Leeds. That has gone out to consultation. That consultation closed on 31 January, so I have to go through due process before confirming the route. Once the route is confirmed, then we have to do the environmental statements, and that is no short programme. I am waiting for David's report, and I will look, obviously, very carefully at what he has got to say, but I don't think it is quite as easy as some people have alluded to—to say start building from the south to the north, not least because part of the capacity issue is into the London terminal Euston. David has been brought in specifically to look at how we might speed up delivery, improve delivery and improve costs, and I am awaiting his report as the Committee is as well.

Q110 Chair: When are you expecting it to be delivered to you?

Mr McLoughlin: During March. I had better not be too specific on the date.

Q111 Chair: During March?

Mr McLoughlin: During March.

Q112 Graham Stringer: Can you just confirm some schedules of the progress of the Hybrid Bill. Is the Second Reading of the Hybrid Bill still scheduled for April?

Mr McLoughlin: It is 25 February today. The representations close on the Bill on 27 February, so that closes on Thursday. There then has to be a period for the Parliamentary Agents to give a report to Parliament on those assessments. That has to be laid for two weeks before we can do the Second Reading, but I very much hope that we can do the Second Reading fairly shortly after that. Whether it is April or not, that would be my hope, but I cannot anticipate how many representations we are going to get on that. We have had approximately 14,500 responses so far, and, as I say, consultations close on Thursday this week.

Q113 Graham Stringer: Do you have a split on those responses, pro and anti?

Mr McLoughlin: I don't have that information.

Graham Stringer: It would be interesting.

Mr McLoughlin: I don't think there will be too many that are pro. They will be mainly those people who are affected by the line, I would imagine.

Q114 Graham Stringer: Have you given instructions out yet to start the preparations for a second Hybrid Bill for the routes to Leeds and Manchester?

Mr McLoughlin: The work will be done on that, but not until I have confirmed the route, which we hope to do before the end of this year, following the consultations—don't forget the consultations only ended just over three weeks ago.

Q115 Graham Stringer: But does it have to be sequential? I assume some of the work could be done concurrently in preparing the Bill, as it was for the first Hybrid Bill on the first part of the route.

Mr McLoughlin: I think that certain parts of the Bill, once we have done the first part of the Bill, are a matter of replicating what has been done in the first bit of the Bill, but with regard to the actual work, the environmental assessments and suchlike, that is dependent on me confirming the route and the route has not yet been confirmed.

Q116 Graham Stringer: Can you give us a schedule on that decision?

Mr McLoughlin: It has always been that the normal period is that by the end of this year I will confirm the route. Can I just say that that is dependent as well on what David Higgins says in his report, which we hope to have within the next six weeks?

Q117 Graham Stringer: Do you have a view, once you have confirmed the routes to Leeds and Manchester, on how quickly a second Hybrid Bill could be produced and presented to Parliament?

Mr McLoughlin: That could be a lot quicker, but, as I say, the big work is the environmental statement that is taking place. Although it will not be going through the same kind of density areas to a degree that phase one will go through as it is in London, there may not be quite as many representations, but it still has to be done properly.

Q118 Martin Vickers: Secretary of State, what work is being done on longer-term options for improving services on the existing network when HS2 comes on stream?

Mr McLoughlin: That is something that David Higgins is very committed to and doing quite a lot of work on, as to how we integrate the existing rail network with the new high-speed lines. One of the things that I have often said to colleagues is that you have to look at what is happening at the moment, what happens in Kent, where the Javelin train goes down to Ashford at high speed and then carries on to other places—Canterbury, Dover and Folkestone—on the existing rail network. The integration is probably one of the most important things that we need to work on, and I know David Higgins is giving a lot of thought to that.

Q119 Martin Vickers: Much of the argument in favour of HS2 is to encourage economic development. Clearly, once you have extra capacity on the existing network, options are available to do the same for regions off the HS2 line.

Mr McLoughlin: More so than that as well. That is absolutely correct, but what is also an option is to get greater utilisation of those existing railways as far as freight is concerned because we have seen quite remarkable growths in freight, but at the moment the thing that is curtailing that, particularly on the west coast main line, is availability and capacity, as freight tends to travel slower and therefore you have problems if you get a freight train holding up passengers.

Q120 Martin Vickers: Will that work involve local authorities, industry, the LEPs and so on?

Mr McLoughlin: Definitely.

Q121 Chair: Are the Government being proactive in that area? It is very apparent that some regions are much more involved than others in looking at how to use existing lines that would be freed by development of High Speed 2 and looking at regional economic impacts. Is the Department or are other parts of Government being proactive in looking at where this work is happening and where it is lagging behind?

Mr McLoughlin: I would agree with you on that. There are varying degrees of certain areas that have been incredibly forward-looking and thinking about the future and other areas which perhaps have just regarded HS2 as something which does not affect them. HS2 will change the rail environment substantially in this country and I think will have beneficial impacts right across the country, so that will be something that they will get more and more tuned in to.

Q122 Jason McCartney: Secretary of State, just to come back to the first issue about building from the north, David Higgins was on the BBC “Look North” programme last week, which I managed to see because it was the half-term recess. He was categorical—that was the headline given—that he sees no reason why we can’t start building from the north. You have already given some views on that, but can’t you see how important it is to get support in the north for that to happen?

Chair: Are those comments something you would welcome, Secretary of State?

Mr McLoughlin: I am not in any way opposed to it. All I am merely doing is saying that there are stages that we have to go through. I would just point out that, with HS2, there were 19 judicial reviews. We won 18 of those judicial reviews right the way up to the Supreme Court, and therefore I am very reluctant to lay myself open to further judicial reviews where I might not be quite as successful if I have not gone through the proper process. I am keen and I am awaiting David’s report. That will be very important, and if there are ways in which we can speed up the process then I am more than open to that. But it is a big project and it is not a project to be rushed. It is a big project and we have got to get it right.

Q123 Jason McCartney: Would you agree, though, that we do need to speed up the process? You have referred to *The Railway Magazine* there. Certainly, I find that we have a wealth of well-meaning rail enthusiasts in this country and I have already been given about 400 different options of routes, ideas and thoughts, which are all very well-meaning; but the longer the process continues, it is almost as if there will just be more and more and more debate, and it will actually never happen.

Mr McLoughlin: Look, you are summarising one of the problems. If you have 400, I am sure I probably have the same 400, if not more, so it is something we need to address. The line-up we are getting as far as HS2 is concerned shows that we are very serious about it. It will make a major impact. The Chancellor’s statement about the future and what could be the options for Euston station are also very interesting indeed.

Q124 Jason McCartney: My constituency neighbour is the shadow Transport Secretary for Wakefield. How robust would you say the political consensus on this is at the moment?

Mr McLoughlin: I was with Mary when they opened the new station in Wakefield. Whenever I have been with Mary, she has been very robust in her support for High Speed 2. Big infrastructure projects, by their very nature, are always controversial during their

planning and their development stage. Usually, once they are developed, people say, “Why haven’t we done this a long time ago?”

Q125 Chair: Has any more work been commissioned on the regional impact of HS2?

Mr McLoughlin: That sort of work is being done by local authorities and by us overall as to the regional impacts and is one of the things that David is looking at, as to how we—partly the question you made a few minutes ago, Madam Chair, about the way in which other areas and other regions feed into the benefits of HS2.

Q126 Mr Sanders: We did have this KPMG study that indicated that there are at least three regions of the country that will be adversely affected as a consequence of HS2. Is that being fed into Government planning in order to ensure that those reasons do not lag further behind, should HS2 go ahead as planned?

Mr McLoughlin: This is the case whenever you look at a major infrastructure project, whether it is road or rail. If we do improvements on the A303, I am not sure they will have much benefit in Derby. Crossrail certainly will not have much beneficial impact in Birmingham or Manchester, but it is very important for London as a capital city, as a world leader as a capital city, to have a good transport infrastructure. The United Kingdom gets the benefit as a result of good infrastructure spending in London, so I would argue that some of the direct benefits may not reach out to everybody. Overall, it is a benefit for the United Kingdom. I noted that one of the areas which was said to lose was Aberdeen. I am not sure I ever made the case for HS2 as far as Aberdeen was concerned. I did make it as far as serving Scotland is concerned and a benefit for Scotland, which certainly it is. Indeed, when I met with the leaders of the councils, the Mayor of Bristol gave total support to HS2 as a vital part of infrastructure in the United Kingdom.

Q127 Mr Sanders: I am not surprised that the Mayor of Bristol would do that, but I am not entirely sure that the Mayor of Torbay would share the Mayor of Bristol’s view. He is sat behind you and you can talk to him later.

Mr McLoughlin: He will probably talk to me.

Q128 Mr Sanders: The big difference here is not that these regions don’t benefit; it is that these regions actually are set back. They actually find that their economies go into reverse as a consequence of HS2. I just don’t think any Government should allow any region to fall behind as a consequence of £50 billion of taxpayers’ investment, which includes the taxpayers of those regions who are going to fall behind.

Mr McLoughlin: I completely agree with you, and that is why we would have to look at other bits of infrastructure investment which serve those areas as well. That is partly what I was trying to allude to in my remarks as far as the A303 was concerned.

Q129 Chair: Does that mean that you will be giving specialist attention to other rail infrastructure projects in areas that are set to lose on HS2?

Mr McLoughlin: I don't necessarily accept the preface of the question that certain areas lose as a result. Overall, the gain for the country is significant. What we then have to do is to service other areas that don't gain as a direct result possibly of HS2 with other infrastructure investments in their areas. Indeed, down in the south-west, we are doing a number of road improvements at the moment and some new roads, but that is just part of the overall infrastructure investment for the United Kingdom.

Q130 Chair: I would now like to turn to rail franchising, which is another issue that has concerned the Committee. A lot has happened or a lot has been proposed since the debacle on the west coast InterCity. Can you tell us what has now changed in terms of rail franchising, the staffing and expertise involved, and any other factors?

Mr McLoughlin: If we go back to the very first time I appeared two days after my appointment to the Department, it was just at the time when the Department had agreed the west coast new franchise. That was, in the end, found to be wanting and had to be cancelled. I commissioned a total review of rail franchising in the Department for Transport. That was done by two people: one by Richard Brown, which was to look more at the longer-term future of franchising, and one by Sam Laidlaw to look at the specific issues as to what went wrong with the Department. A lot of things have followed from that, which we have discussed in the past.

One of the things that Richard Brown recommended in his report was that we should set up a separate group within the Department to do rail franchising. I am in a position of being able to make more progress on this shortly and, hopefully, making a more detailed announcement tomorrow, but we will be setting up a rail executive in the central Department, and that rail executive will build on the existing rail group, which has franchising back on track. Certainly, from some of the companies I have spoken to, they are very complimentary now of the way in which the rail franchising group is working. That will bring in some more commercial elements, which was needed to bolster that particular section of the Department. That announcement will be made tomorrow.

Q131 Chair: How many contractors or secondees from the rail industry have you brought into the Department?

Mr McLoughlin: I don't have that exact figure at this stage. I can certainly write to you and to the Committee with the exact details on that, following tomorrow's written ministerial statement.

Q132 Chair: It would be helpful if you could do that. As part of the consequence of the breakdown in franchising that occurred, you awarded several existing franchisees with short-term contracts to cover the period until the Department could reorganise itself. A lot of

concerns were expressed about whether these deals were indeed value for money. Can you tell us whether you have assessed that and what your findings are?

Mr McLoughlin: They will continue to be assessed. What I did, if we go back, was to issue a document which set out, on the backdrop of the Brown report, what the overall timetable would be over the next three to four years as to getting the whole franchising completely back to where we had originally set it from. We have been making good progress on that. It is very difficult ever to compare one particular short-term franchise or, indeed, any franchise with another, partly because of the changes which may be taking place as far as rolling stock and track enhancements are concerned. One of the things that has held back First Great Western is the amount of electrification—the electrification from Reading to Bristol and beyond—and when that actually comes into play, and the new rolling stock, which will be on part of that route, part of that franchise, with the IEP trains which will be delivered from 2017 onwards.

Q133 Chair: According to *Which?*, FirstGroup, Thameslink, Great Western, Abellio and Greater Anglia have some very dissatisfied customers. Are you aware of that and has that been addressed?

Mr McLoughlin: I did see the *Which?* report. The *Which?* report do their research differently from the way in which Passenger Focus do their research. I am not dismissing it because it gives us some important points as to where information comes from and it helps us build a picture, so I do not dismiss those findings at all by *Which?* But, if my memory is right, it is a self-selecting group that fill in online the questions on their website, as opposed to something which is done by Passenger Focus, which is much more longer term.

Q134 Martin Vickers: Secretary of State, you referenced the proposed partnership arrangements for the Northern/TransPennine franchise. You are aware of the concern among some of the local authorities on the fringe and not part of the core metropolitan areas that they may be left out of any input into it. How has that been addressed?

Mr McLoughlin: It was one of the questions that I did very specifically put to the Northern group when I went to Manchester a few weeks ago to meet them. They assured me they would be addressing that. Obviously, I will want to watch that very carefully, and if there is a problem there I will want to revisit what we are doing, but I very much hope that we can get greater co-operation and involve very much local authorities in future franchising, specifically on the routes that are most concerned with commuting through and around as far as their constituents and your constituents are concerned, as well as mine in North East Derbyshire as well, because the very northern part of my constituency covers the TransPennine route as well.

Q135 Martin Vickers: How much real say will the authorities have? We know the key metropolitan areas will have the bulk of the voting power, and ultimately it is votes that decide these things.

Mr McLoughlin: We have not completely changed over yet. I will want to make sure that the right kind of facility is in place which reassures your constituents and reassures my constituents as well.

Q136 Jason McCartney: I was just going to press on that as well, because I was on a Northern train last Thursday in my patch from Slaithwaite to Huddersfield, about whether it is just advising or lobbying. How much of an actual say will the northern councils have, and how much do you see this being a model that we can use in other parts of the country as well? So there are two parts to the question.

Mr McLoughlin: It is a model that we can use in other parts of the country if it is successful; that is what it comes down to. It comes down to how we best provide the services for our constituents and their electors, as well as our constituents, as far as regeneration and better timetabling of services are concerned. Local authorities can bring a lot to that sphere of negotiations. There is no doubt, in my mind, if there is the right kind of working relationship. If they do want to make certain changes, can they be funded? Can they be built into the programme that is being looked at as far as franchising is concerned? We need to give it a chance to see.

Q137 Jason McCartney: My constituents are also very interested in the east coast main line franchising. You have already said, as a result of the Brown review, you are going to have one single director general of rail franchising. Are you going to announce more details about that tomorrow or is the person in place already?

Mr McLoughlin: No, the person is not in place, but I will be saying that I hope to recruit them very shortly.

Q138 Graham Stringer: Just following up those last two questions, the partnership for the Northern and TransPennine express franchises were not exactly as originally envisaged, were they? There is slightly less of a role for the local authorities. How would you describe their role exactly? Is it advisory? Can they veto things? What is it, and do you envisage their role growing if this model is successful?

Mr McLoughlin: It stretches. The Northern rail project stretches over 33 local authorities. That is a huge amount of different local authorities.

Graham Stringer: One local authority is difficult enough.

Mr McLoughlin: You might say that. I don't think I would like to comment, but it does stretch over 33 local authorities. If we can get a good working relationship between the local authorities, the franchising companies and the Department for Transport, then we service our constituents, the electors and the residents in those areas better. It is worth giving it a try, and I do pay tribute to the work that Richard Leese has done in bringing this forward. We have the person—sorry, I have just had name block—from Merseyrail who is going to be leading as far as this is concerned, so it is about finding a better service. It is a very expensive service overall in subsidy terms that we are running on northern line transport—Northern

particularly, not as northern, southern and TransPennine. As you, Mr Stringer, will know, it is also at the moment the subject of some real major investment as far as the Northern Hub is concerned. We are going to have—I am sure the Chair will be quite pleased about this—the first non-stop route from Manchester to Liverpool reinstated, and that will start to make some big differences. That is the start of the rollout of the Northern Hub.

Q139 Graham Stringer: Just on the Laidlaw review, I caricature it, but one of the problems that Laidlaw pointed to was that, as soon as anybody understood what was happening on the franchise on the west coast main line, they were disqualified from being part of it. So you had this absurd situation where the Permanent Secretary and the Secretary of State were all sidelined for it. Do you have your finger on the pulse? Are you in control of the new franchising operation? Has that problem been solved?

Mr McLoughlin: Well, I very much hope so. Time will tell, and, no doubt, if I have not, I am assisted in it. Peter Wilkinson was brought in specifically to help manage the franchise system, along with Clare Moriarty, who is the director general responsible for rail within the Department. A lot of valuable lessons were learned from that, and I am also assisted, of course, by Parliamentary Under-Secretary Stephen Hammond.

Q140 Graham Stringer: You are involved in the detail of that franchising process; the responsibility is yours.

Mr McLoughlin: I will meet with officials at appropriate stages to be informed and taken forward as to how they are dealing with the process. That is what you will expect. I am involved in the key considerations of decisions about the direction of individual franchise competitions, and, as I say, I am ably supported by Stephen Hammond in taking forward these specific issues. Obviously, the commercial negotiations and discussions that go on are not something which I get directly involved in.

Q141 Graham Stringer: I wish you every success, but if things go wrong who is responsible?

Mr McLoughlin: The Secretary of State.

Q142 Graham Stringer: Right. You have said you did not know quite how many people were seconded in.

Mr McLoughlin: I can't give you that figure.

Q143 Graham Stringer: That is fair enough. I wouldn't expect you to carry that figure around. What I would expect you to know, though, is whether the Department is now fully resourced to carry out this franchising.

Mr McLoughlin: There is still some more recruitment we would like to do, but it is better resourced than it was to do this job.

Q144 Graham Stringer: Can you send us a note, as well as the secondees, on where you are up to on this?

Mr McLoughlin: Yes; of course I will.

Chair: Thank you very much, Secretary of State.