



Transport Committee

Oral evidence: [Improving the rail passenger experience](#), HC 64

Tuesday 5 July 2016

Ordered by the House of Commons to be published on 5 July 2016.

Written evidence from witnesses:

- [RMT](#) and [supplementary evidence](#)
- [Govia Thameslink Railway](#)

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Members present: Mrs Louise Ellman (Chair); Mary Glendon; Karl McCartney; Huw Merriman; Will Quince; Martin Vickers

Questions 84-210

Witnesses: **Mick Cash**, General Secretary, and **Paul Cox**, South East Regional Organiser, National Union of Rail, Maritime and Transport Workers (RMT); **Dyan Crowther**, Chief Operating Officer, and **Charles Horton**, Chief Executive Officer, Govia Thameslink Railway, gave evidence.

Q84 Chair: Good morning and welcome to the Transport Select Committee. Could you give us your names and organisations, please?

Mick Cash: I am Mick Cash, general secretary of the RMT.

Paul Cox: I am Paul Cox. I am the south east regional organiser for the RMT.

Q85 Chair: This service is at the bottom of the league in terms of how passengers view the service they are getting or, more often than not, not getting. Major calls have been made for GTR to be stripped of the franchise. Do you think that you share any of the responsibility for the current situation?

Mick Cash: At the end of the day, what we are seeing is that there have been a number of problems with the franchise for a period of time. Our members have been at the frontline of dealing with all those concerns and issues. We are in a situation where the most recent set of cancellations has brought to the fore some of the difficulties that passengers are dealing with. We get situations where we have guards and drivers available to drive trains, but the train has been cancelled. It is not down to the staff. It is quite clear, as far as we are concerned, that it is down to poor planning and poor management. We are in a situation

where our members are taking the brunt of the criticisms for the concerns and underlying problems with the franchise. The fact that the DFT has had to come along and introduce a remedial plan, which it agreed with the company in February but only came out in May—well before the most recent problems—indicates that there are some underlying problems that need to be addressed. Attacking the staff and giving a poor service to passengers is not the way to do it.

Q86 Chair: Could you tell us more about the rostering issues, which you say contributed to the “complete breakdown” of industrial relations in November 2015? What happened?

Mick Cash: The rostering issues?

Chair: Yes. You said there was a complete breakdown of industrial relations because of rostering issues.

Mick Cash: We have had a number of problems over the staffing levels in GTR for some time. We have a situation where there have not been enough train conductors. We have been arguing for an increase in train conductors. Originally, last year, there were 458 and we got an agreement with the company to increase that to 470. By the May timetable this year, it should have been 490, which would have helped to deal with the whole question of staffing problems, the over-reliance on overtime and suchlike, and improve the service. We had not reached 490 by May. The reason why May was important was that, with the summer holidays coming, you need to make sure you have enough staff to cover all the turns that are required to sustain a full timetable.

Q87 Chair: Were there problems with staffing before the franchise commenced?

Paul Cox: The problem was what we call managed vacancies, or rosters that were not robust. On stations there were managed vacancies, and on train crews they would not establish the depots sufficiently to cover every eventuality. There was heavy reliance on rest-day work. At that time if someone worked a rest day, because there was no premium for overtime, the company did not pay pension and they did not set aside money for annual leave. They were saving approximately 23% per day by utilising someone to work a rest day. Therefore they were saving money by not having robust rosters and by relying on rest-day working.

Q88 Chair: Is that all new with this franchise?

Paul Cox: No, that was with the previous franchise and it carried over into this franchise. In January this year we entered into dispute with them. Our members had had enough. We said we wanted a robust rostering system put in place. We finally got a commitment from them to increase the number of people in the rosters to 490. That never materialised in May when the summer annual leave period started.

Q89 Chair: When did the company agree to do that?

Paul Cox: They agreed to do it in February or March. We got a written agreement from them to increase the number of established conductors to 490. They gave us their word that they would do it by May at the latest. They had sufficient time to train people up. We

gave them sufficient time to train people up from when we got the agreement, but they never materialised. Then in May when the annual leave period started, when people take two blocks of summer leave between May and the end of September, they were still working to an establishment of 472 but they had 24 vacancies. They had some people in training but the whole gap between what was a realistic establishment of conductors and what was actually available was incredible, to be perfectly honest. It was going to be a struggle to run a service regardless of whether we were in dispute or not.

Q90 Karl McCartney: We have heard that you are basically politicians. You refused to answer the first question so I am going to give you another go. Do you hold your hands up for being partly responsible for the problems and effects that passengers are currently experiencing? I would like to hear from Mr Cox first, if you don't mind, Mr Cash.

Paul Cox: We accept that when we take industrial action it is with the intention of disrupting the service. There is no point in taking industrial action if you are not intending to do that.

Q91 Karl McCartney: Is sick leave industrial action?

Paul Cox: Well, I was trying to answer your first question. Can I come to that in a moment?

Karl McCartney: Certainly.

Paul Cox: Outside that, we made a conscious decision, because we knew we had the public supporting us, that we would do nothing to injure the public or cause the public any inconvenience outside our strike days. That involved me encouraging people to work their free days to try to keep the service running outside our dispute days. No, we were not responsible. We were doing everything we could to help them to run a proper service.

Q92 Karl McCartney: Mr Cash?

Mick Cash: We are not in a position where we would agree with the point that our members are taking sick leave and therefore are taking what some people have called informal action. If our members want to take industrial action they have the ballot arrangements in place to do that. All they have to do is call on the executive committee to do that. What we know is that we have under-resourcing of staff and there has been an increased level of stress. If there are concerns about sickness, normally companies sit down with the trade union and say, "We are concerned about sickness and we want you to help us address it." I got a letter last week from the company saying that over the period January to April conductor sickness averaged at 21 conductors per day. Since April that has gone up to 36 conductors per day, which is 15 extra conductors. But then they turn round and say that, largely as a consequence of that, train crew- related cancellations have risen from an average of 26 per day, before the first RMT strike in April, to an average of 244 per day. We get a situation where the company is saying that for 15 extra conductors we have gone from 26 days' cancellation to 244. That just does not add up. That is the reason why, if we've got problems around sickness, we sit down and work through what they are. There are some issues around our members feeling under stress and having concerns.

Q93 Karl McCartney: Since the first strike the number has nearly doubled to 40 conductors off sick each day. In the last 10 days, that figure has increased to a further 45 conductors off sick each day. You are claiming that they are feeling stressed or whatever, but do those figures echo the rest of the rail network or is there something else underneath that may be union-related?

Mick Cash: I would not know. You are better informed than me about how many people are off sick. All I know is what I got last week from the company, which said there was an average of 36 per day, and we responded to that.

Q94 Karl McCartney: Is that reflected across the rest of the country?

Mick Cash: I would not know. I do not have the figures.

Q95 Chair: Mr Cash, the issue is whether this increased level of sickness is to do with the stress and difficulties of the situation or whether it is being organised in some way, because that is being alleged in certain quarters.

Mick Cash: I can categorically assure you that it is not being organised. If we are in a situation where—

Karl McCartney: Really?

Mick Cash: I beg your pardon.

Karl McCartney: I said “Really?”

Chair: I want Mr Cash to answer the question.

Mick Cash: I would rather someone sat down with me, like other companies do, rather than going to war with their own members of staff and accusing them and putting them under more and more pressure. I would rather they sat down with us and said, “We’ve got this problem. How do we address it?”

Q96 Chair: Has that been done?

Mick Cash: That has not happened, no, other than me getting a letter last week that gave me those figures, and implied in that is some legal action. I have to reiterate the point that our members have been balloted and have a strike mandate. If they want to, they could ask the executive to put strike days on, but they have not.

Q97 Chair: I just want to clarify a point, Mr Cash. Has the company attempted to discuss this sickness issue with you?

Mick Cash: The first indication I had was the letter last week when I was at our annual conference, stating that they have problems with sickness and this is the average—

Q98 Chair: But have they sought to discuss it with you?

Mick Cash: No, not as far as I am aware.

Q99 Chair: Mr Cox, are you not aware?

Paul Cox: My view on the sickness was that there were actions of a punitive nature taken against people for going into dispute. They removed their travel passes. They told them that they could not park in the company car park or that they would have to pay. They stopped mutual exchange of duties, which is vital for some people for childcare. I only met three people who were sick. What I discovered was that they had other things going on in their life. I concluded that in every workplace there are people who are vulnerable. The additional pressures on these people of the punitive actions the company applied led to pushing them over the edge, and led to them having stress and anxiety-related illness.

Q100 Mary Glindon: The union said that GTR is engaged in “a planned campaign of bullying, harassment and intimidation” of your members, and that “The Government is clearly driving GTR on in the company’s staffing and industrial relations strategy.” Could you tell the Committee what evidence you have to support that?

Mick Cash: In terms of the Government, we have had Peter Wilkinson, a senior civil servant, reported in the media—it is in the report and I will refer you to the page where he was quoted—saying that he expects industrial action and he wants support. It is 3.2 in the submission we made. At a public meeting organised by Croydon Central MP Gavin Barwell, he said that he did not think there were any rail companies that could run the services better than Southern, so the Government obviously think that Southern and GTR are one of the better companies to run the services. I do not know if they have a fixed mind about that. “Over the next three years we’re going to be having punch ups and we will see industrial action and I want your support.” Peter Wilkinson said that. That was even before we had any debate about what is going on and how we deal with the issues affecting the passengers. We have provided evidence of the Government interfering, or certainly having a say in how trains are cancelled. It is clear that there is a direction being given by the Government that they have to have a “punch up” with the trade unions.

Q101 Chair: Have any of the statements that you have read out been denied?

Mick Cash: I understand that Mr Wilkinson was forced to apologise, but I do not know what the detail of that apology was. You would have to ask him how far he went and whether he really meant that he wanted to have a punch-up with us. All I can say is that they have already determined that Southern, and Govia in particular, is the best operator to run that train service.

Q102 Mary Glindon: Obviously you have vast experience of trade unions. In your experience, is that the normal kind of language that might be used? Why do you think the Government are supporting this approach by GTR?

Mick Cash: It is not my experience that senior civil servants, no doubt supported by their Ministers, turn round and say they want a punch-up with trade unions on issues. I think the whole issue of why they want to do what they are doing on Southern is that they want to set a template for everywhere else in the country that they want to get rid of the second safety qualified person on the train. I draw your attention to a report by the RSSB—the Rail Safety and Standards Board—which is funded by the train operating companies, not someone you could class as independent. From the company perspective, it said that the

attraction of getting rid of conductors is that DOO savings come directly “from employing fewer staff, and from replacing guards with cheaper non-safety critical on-train staff.” They have an acronym: NSCOS. The report said, “Safety critical training for guards would no longer be required, which would reduce the training requirement from 12 weeks to four weeks for the second member of staff on board.” It is clearly not just about saving money in Southern; it is about setting a template going forward to ensure that there is no guarantee of a second safety critical person working on the trains. It is all about saving money.

Q103 Huw Merriman: I am both a constituency MP for Southern passengers and a daily commuter, so I wear my badge with some horror in terms of what is going on. It is unbearable for us all. In light of the fact that passengers have been crying out for new rolling stock for years, because we are crowded on those trains, and now that it has come and provides the technology for drivers to operate the doors and conductors to spend more time with us passengers, why will your members not operate it?

Mick Cash: The point of introducing DOO is that our members do not operate it.

Q104 Huw Merriman: I am talking about operating the train. Your members will not need to close the door any more because the driver can do that. He can see everything safely so your members can spend more time with me as a passenger.

Mick Cash: I do not think that is actually going to happen. I would like to think it will happen but I do not think it will. There are two things. One is that we are seriously concerned about not having somebody operate the door, first, to manage the train-platform interface—passengers on crowded platforms and on crowded trains getting on and off the trains. There is an increased risk these days without people—

Q105 Huw Merriman: Mr Cash, that is safety.

Mick Cash: That is one.

Q106 Huw Merriman: Let us just touch on safety. If it is not safe, on the basis that this type of driver-operated door is used on 60% of Govia Thameslink—a large part of the network and all the tubes—why are your members not out on strike on those lines where it is currently being used, if it is not safe?

Mick Cash: I can’t answer why they are not on strike. All I can say to you is that only 30% of train services on the whole of the network are driver only operation. It has been a system that has been in since 1985 on passenger trains, yet only 30% are operating. There is a good reason for that and there are some genuine concerns about safety and how driver only operation works.

Q107 Huw Merriman: I take that point, but the reality is that if it was unsafe the regulator would not approve it and it would not be used on the other lines, and your members would not be using it. As a passenger, I want to see a resolution of this. Is it the case that you are concerned that in the future there will not be a second person on that train, and therefore you are concerned about yourself and your future members? You are a union and I can

understand why you take that view, but I want you to be direct with me as to what this is really about.

Mick Cash: You want me to give the answer that you want.

Q108 Huw Merriman: No. It cannot be safety, because otherwise—

Mick Cash: I am sorry but it is. My union has been in this industry since 1871. We have been around as long as the FA Cup. We are in a situation where we have watched the industry develop as it has. We have watched Governments come and go. We have watched different systems of operation, and as a union our DNA is in this industry and the industry's DNA is in us. We are proud of our connection with the rail industry and we want to make sure that it continues to grow, but safely. We sometimes have views that the current generation of politicians or current Governments do not like. We argued against rail privatisation. They said at the time that it was going to be cheaper and more efficient.

Q109 Huw Merriman: Mr Cash, I take that point, but the reality is that passengers do not care about the ideology that you may have and I may have. The reality is that we are seeing £40 billion being pumped in as capital investment. Passenger numbers have doubled, which has made it really difficult for all of us passengers. There is a really bright future for your members if they will embrace technology. Maybe you do not need someone closing a door any more, but there is another role for them in terms of spending time with passengers. Surely that is better for safety, because they are engaging with the passengers rather than closing the door. Mr Cash, I put this to you because, when you emailed me telling me it was not safe, I emailed you back and said, "I'm sitting on a Southern train right now. I don't see my conductor at all. Where is he?" You never even responded. To me this is all about protecting future subs. All I am saying to you again is that it is causing absolute misery. We cannot get back to our families. We cannot get to work on time. I have missed appointments here. My constituents cannot get to school on time. You have got to bear responsibility for this, because you are part of the solution.

Mick Cash: You are blaming us for what has happened since April but not blaming us for what happened before April.

Q110 Huw Merriman: Mr Cash, let us talk about that. The performance figures on Southern have not been good and the management are going to have to answer some questions after you. They went up from 75% to 83%. The corner was just being turned and then your members went out on strike. How frustrating is that for me and other passengers?

Mick Cash: I am a commuter like you and I understand the concerns you have. I have been in the situation with another Go-Ahead company where we had the same problems in 2013-14 because they did not have enough train crew. But there are two aspects to the point about the role of the guard on the train. One is to help the driver manage the platform-train interface—people getting on and off the train. There are increased numbers of passenger use. That is the reason why the train drivers' union in particular is also supporting keeping the guard on the train. They now see that the industry is changing; it has grown and there are more and more people using it.

The other point about this is that without the guard having a full operational role you will not get a guarantee of a second safety critical person on a train. If you take—

Q111 Huw Merriman: I will ask one more question because this is vital to me. When you did not respond to my letter, I went back to Southern and said, “Can you confirm to me that there will be jobs for all of those on the train?” They said that conductors will become on-board supervisors and said, “Yes, we have confirmed that there is a job for everyone who wants one.” Therefore your members will still be on that train. They can do all the things you talked about; they just do not need to close the door. I might add that maybe they could do the job even better because they will not be turning a key but focusing on what is going on around them.

Mick Cash: I sense your anger and I really do understand it, but perhaps you could let me make another point about the guarantee. It is not about jobs for current workers. As I have said before, we talk about the future as well as the past. One of the things we are deeply concerned about is that, without that second person being guaranteed on the train, you will not have what you expect in terms of crowded trains having enough safety qualified staff. Take the example that you have just given us about the guarantee. I hope Govia give you a guarantee that every train will have a second person on board and that that person is safety qualified and safety trained. If you take the situation of the documentation that we got to introduce the on-board supervisors, as they call them, these are the numbers we have. Bear in mind that to get a service that we thought would work for May, we agreed a number with the company in January/February time of 490 conductors. Those are people working on the trains. At this moment in time, with the proposals they have, all they are going to guarantee is 450 on-board supervisors and conductors as a total when they have their plans in place. That is 40 short of what we felt was needed for a service in May. While the current members of staff will be guaranteed a job, over time we are going to see a reduction in staffing and that means—

Q112 Huw Merriman: I will just ask one more question, if I may, Chair. I am grateful for that, Mr Cash. You are right that I am cross, because I use the service and so do my constituents and they get cross with me. I asked you right at the start if this was about future subs. To be fair, you are saying it is more about future safety. If you felt there was something that Southern could do in terms of guaranteeing numbers in the future, you might be willing to cause an end to this dispute. Are we on common ground now?

Mick Cash: We are willing to sit down and see if we can come up with a solution to the problem, but if it’s “Our way or the highway,” which is what I get back and certainly what we got back from the two ACAS meetings that we attended, we are going to have some difficulties. The reality is that we want to see a guaranteed second safety qualified person on the train. The template that is being orchestrated by the DFT—Southern is the first one with it—will not facilitate that because they want the flexibility, as they call it, to be able to run trains without the second person. Once that starts, what is an exception becomes the norm and then we are all worse off.

Q113 Chair: It might be that the solution lies in looking again at the roles of different people employed on the train. You concentrated on safety. It is a fact that both the Office of Rail and Road, the ORR, and the Rail Safety and Standards Board say that one operator only is safe. It is not just about safety, is it? It is perhaps about a changing role for different staff.

Mick Cash: In terms of the RSSB and the ORR, they gave some statements recently about what they considered to be safe and unsafe. We do not consider the RSSB to be independent by any stretch of the imagination, as it is funded by the TOCs. If you remember, Chair, the ORR, which is now the Office of Rail and Road rather than the Office of Rail Regulation, is the financial regulator for the industry. Some time back, the safety side of regulation of the rail industry moved from the HSC, which was a fully independent arrangement, into the Government-backed financial regulator, which is the ORR. They both made statements that as far as they are concerned DOO is, effectively, okay.

There was a report last year by the Rail Safety and Standards Board, which was called “The Technological Evaluation of Introducing DOO”. I quoted a bit from it already in terms of fewer and cheaper staff. It said, “DOO does not create additional undesired events but may increase the likelihood of an event occurring or increase the severity of its consequences.” Driver only operation, in the view of the RSSB, can be riskier for passengers and for the industry when an event happens. That is their own body saying that.

Q114 Will Quince: I want to drill down into some of the points that Mr Merriman made. You have spoken about safety and also about jobs. Given the disruption you are causing, it is important that you are absolutely clear. Any concerns around safety, legitimate or otherwise, have to be evidence based. What evidence do you have around safety, given the points made by Mr Merriman about other routes where you have not complained about the same practices?

Mick Cash: I will answer your question. By the way, I apologise for not responding to the email. I get quite a lot of emails, sometimes from irate passengers.

Huw Merriman: You and me both.

Mick Cash: Sometimes, you would not like to see some of it, I suspect, and perhaps it gets put in the wrong box for that reason. My apologies for that.

With regard to the whole issue of safety, there is a dossier that we have sent out on the safety critical role of the guard. It articulates the argument why we are concerned about the guard and gives examples of where the guard has had a positive impact on safety. We have tried to make that case. You articulate the fact that there are places where DOO exists, but I would caution you when you say we enthusiastically endorsed it. We have not supported it; it was a case of it coming in and us having to figure out how to deal with it once it got introduced. Some of that was done at a different time in a different period.

One of the arguments we are certainly seeing now with the growth of the industry, with more passengers both on trains and on the platform, is that the case for looking afresh at driver only operation needs to be made. That dossier is our contribution to doing that. Those examples are all based on facts. You might not like the way we interpret the facts but they are based on factual incidents. I would ask you to have a look at that document, if you have not read it. We have some concerns and have had for a number of years, but this brings together a number of issues that merit more discussion and debate, certainly within the industry. Chair, when you quoted the RSSB and the ORR it was to rubbish this document. When people rubbish something we have produced, I wonder on what basis they do it. It was having a go at

that document. We have attempted to place on record our concerns, and I would ask you to read it.

Q115 Will Quince: Why have you not taken passengers with you on that journey? Passengers want to travel in a safe environment. Why are passengers blaming you as much as the train operating company?

Mick Cash: One of the things that happens when we take industrial action is that we inconvenience passengers. We are inconveniencing passengers because, as far as we are concerned, we are seeking to defend the industry and the safety of the industry. Sometimes—you are right—we have to get our message across. One of the concerns we have and one of the reasons why we have done this is to try to communicate what those concerns are in a way that hopefully will put our case in a reasoned way. When we inconvenience passengers—as I am sure Govia will tell you when they inconvenience passengers—they get upset. We do not do it deliberately. When I was talking to Paul earlier, I asked him when was the last time we took industrial action on Southern. I think he said it was about 14 years ago, so it is not something we do often and we do not do it lightly, but there are genuine concerns. Our members voted overwhelmingly in a ballot to do this, and we are seeking to try to retain the second safety qualified guaranteed person on the train. That is what the fight is about.

Q116 Will Quince: I appreciate the ballot, because if I were one of your members I would want to protect jobs too, but can you persuade me that you are not just a dinosaur in a digital age trying to protect jobs under the guise of safety? I have not seen evidence that that is not the case. Let us have an elevated pitch for 30 seconds to persuade me.

Mick Cash: I have been around in this industry since 1978 and I have seen huge change in this industry, some of it welcomed and some of it not welcomed. I have had to go through all the problems when people at a particular time said, “Oh that’s good, that will work,” and it has turned out that it has not worked. We end up picking up the consequences of decisions made, particularly on issues around cost. That is why we fight the fight. More often than not we tend to be right, because our members know the industry and deal with it day in, day out. They are the ones who guide what we do. I do not turn round and say, “We’ve got to stop this or that.” Our members tell us that we need to stop it and give us the reasons for doing it.

Q117 Will Quince: I have a final question. Is the tube dangerous?

Mick Cash: Is the tube dangerous? If you look at some figures that were in the *Evening Standard* recently, there has been a wholesale increase in the number of incidents where people are dropping down, getting on and off the train. There were over 300 incidents last year, which is a huge increase. You start to wonder whether problems are emerging because of crowded platforms and not enough safety critical staff on tube platforms. I have real concerns about the tube, yes.

Q118 Chair: Where are those figures available?

Mick Cash: They were published in the *Evening Standard* recently from an FOI request. It shows that there were 307 incidents last year, up from 100 less than 10 years ago, of passengers dropping down in between trains.

Q119 Will Quince: Out of 1.2 million passenger movements a day.

Mick Cash: If you are one of the 300, I do not think you would be that keen on it. I saw the Clapham South incident, where a member of the public got dragged along by a train. Trap and drag is a real danger and a real problem.

Q120 Karl McCartney: Are you saying that all those accidents happened because of driver operated doors?

Mick Cash: No, I was answering a question from your colleague about whether the tube is dangerous. I am saying that you need safety qualified staff to ensure that we have a safe railway.

Q121 Martin Vickers: Mr Cash, you mentioned earlier that roughly 30% of network services have driver only operation. It is not just on the tube. That started in 1985. Have you been collecting evidence during that time that shows that it is inherently more dangerous? If not, why not?

Mick Cash: It is a good question. One of the reasons why we made the dossier was to start that debate. Because of increasing numbers of passengers and the growth of the railway, there are difficulties and we have to address them. If it was safe, we would have 100% of the railway with it, wouldn't we?

Q122 Martin Vickers: We have to move on and find a solution to this. I suspect if I asked you, you would say, "The management won't talk to us and they are being intransigent," and so on, and vice versa. How are we actually going to get a solution, and what constructive role will the union play in achieving that?

Mick Cash: We will be as constructive as we can be. We are prepared to look at suspending calling for any further action if the company agrees to suspend introducing their proposals in August. At the moment, our guys have legal letters saying that they are going to go into these new roles at some stage. That could give us time and space and the right environment to see if we can come up with something that addresses the concerns on both sides.

Q123 Martin Vickers: A constructive engagement with management could lead to a driver only operation.

Mick Cash: We are in a position where our members are saying, "We want to ensure that we have a second safety qualified person on the train and a guarantee of that." That guarantee is not just about jobs, but about a safer railway and a safer environment for passengers. I was talking to James earlier about disabled people and he was showing me a video about how a guard had to help him get on and off a train recently, both at a London terminus and his own station. We are meeting disabled groups next week to have a debate around how we can not only look after safety but also provide a better service.

I make the point to you—it is a really important point—that having a safety qualified guard operating the doors guarantees a second person on every train. If you did not have those rules and procedures in place, you would get a slowly creeping arrangement where you had less and less on-train staff. Then it would be the driver on their own. We have had examples where drivers have been incapacitated and the guard has taken charge, looked after the passengers and looked after the driver. That happened last year on the west coast when a driver got out of a cab and was electrocuted by an overhead line wire. It was the guard who helped the passengers and the driver.

Q124 Mary Glindon: Following on from that, what percentage of passengers on average actively need help from the guard?

Mick Cash: I am sorry, I do not know that information. I do not know if it is available but we will try to find out and get back to you if we can.

Q125 Chair: It would be helpful. What do you see as the role of the Government through the Department for Transport in trying to resolve this? Is it something solely for the company—for GTR—between them and you? Should the Department be doing something?

Mick Cash: The Government have turned round and said that only Southern and GTR can operate this train service. They have a fixed mind about who can do what. The Government may want to have a punch-up. I have to say that I was a bit surprised at the tactics of the company early doors when the dispute happened, and the reaction that Paul outlined. It shocked our members, but it certainly shocked me as a trade unionist who has been in the industry since 1978 as to how heavy-handed they were. I can only envisage that there must be reasons why they are being heavy-handed and why they have gone for broke so early. I do not know if it is the company's style and strategy. I know individuals in that company. They have worked elsewhere in the industry and I cannot see them being so heavy-handed, but perhaps they have had a new way of business since they have taken over Govia, or perhaps there are others behind the scenes pushing to have this "punch-up" and take us on. I want to make sure that we have a safe and efficient railway. I do not want to have a punch-up with the Government.

Q126 Chair: What needs to be done to try to resolve the situation?

Mick Cash: There is the suggestion that I just made to your colleague about a suspension on both sides of what they plan to do and see if we can get round the table; and the Government facilitating a proper way of dealing with the issue of driver only operation, rather than trying to use Southern as the template for everywhere else in the country.

Q127 Chair: Is that what you think is happening?

Mick Cash: Yes.

Q128 Chair: Why do you say yes to that? Do you have any evidence or is it just your assessment?

Mick Cash: Because elsewhere we are seeing that situation. For those of you who remember Sir Roy McNulty's report, he said that to make savings of up to £1 billion, the

Government would have to introduce a number of different ways of operating in the new franchises. The extension of DOO was one way of doing that.

Q129 Chair: You are saying that this is being done deliberately as part of a Government plan to make savings. Is that what you are saying?

Mick Cash: Yes.

Q130 Huw Merriman: Moving forward, because passengers just want to be able to get on their train and get to their place of work or study on time, if Southern—who we are going to speak to next—talk not just about guaranteeing a job for everyone who wants one who is currently employed but something into the future so that your future members also have a job, is that the kind of thing that is going to cause you to cease the industrial action and encourage your members to be at work all the time rather than feeling stressed and taking sick leave? Will you commit to that? Something has to come out of this session today, and I am hoping that you will be able to commit to that.

Mick Cash: First off, I do not accept that our members are deliberately going sick.

Q131 Huw Merriman: I have not said that.

Mick Cash: The inference was that we should encourage our members to go back to work. That is completely not the position as far as we are concerned. We cannot encourage people to go to work if they are sick. You would think there was something wrong if we did that, particularly in a safety critical industry. In terms of taking it forward, the best way to sort this is around a table. The reality is this. You used the word “jobs” as if the issue is jobs per se—jobs now and in the future. What we are seeking to do is to have an industry and a company in Southern that can guarantee a second safety critical person on the train at all times. That is what we are seeking to do. That is what a guard does at this moment in time.

Q132 Huw Merriman: If there was some form of future guarantee about a second person on the train—perhaps you cannot say that there always has to be one, because if my train cannot leave because the conductor has not turned up, I still want it to be able to go, but in normal operating procedures a second person should be on that train in the future—would that be enough for you to then say, “We can work with this”?

Mick Cash: The devil is always in the detail. I feel like I am negotiating now rather than responding. I am happy to negotiate.

Q133 Chair: I do not think we are going to negotiate as a Committee, but you never know. Is this a possible way forward?

Mick Cash: What we have to do is get round a table and work through the issues. All sides know what the issues are. I am trying to make sure I am not negotiating now.

Chair: You are not negotiating, but we are interested to hear your views on possible ways forward.

Q134 Karl McCartney: With your jaunty union hat on, would you see the DLR as a modern 21st-century railway or your world's worst nightmare?

Mick Cash: The DLR?

Q135 Karl McCartney: Yes, the Docklands light railway—no drivers and no conductors.

Chair: And it is not part of the negotiation.

Mick Cash: Is there a particular point?

Q136 Karl McCartney: I am trying to see where your mindset is.

Mick Cash: I am not an expert on the DLR. Can I get back to you at some stage when I become an expert?

Karl McCartney: Feel free to write to us.

Q137 Chair: I think we have probably gone as far as we can with this. We are trying to identify the issues and look at possible ways forward because, after all, the passengers are suffering and they are very angry.

Mick Cash: Jaw-jaw is better than war-war, to be fair.

Chair: Thank you very much.

Examination of Witnesses

Witnesses: **Dyan Crowther**, Chief Operating Officer, Govia Thameslink Railway, and **Charles Horton**, Chief Executive Officer, Govia Thameslink Railway, gave evidence.

Q138 Chair: Good morning and welcome to the Transport Select Committee. Would you give your name and organisation, please?

Charles Horton: I am Charles Horton, chief executive officer for Govia Thameslink Railway.

Dyan Crowther: I am Dyan Crowther. I am chief operating officer of Govia Thameslink Railway.

Q139 Chair: When the franchise was set up, the Minister said that it would “deliver a step-change on key routes and drive up customer satisfaction.” In fact, the absolute opposite has happened. Passengers are very angry, and MPs receive emails and phone calls daily from people who are angry that they cannot get to work or get home to collect their children. Some are very upset that they are losing their jobs, because they can no longer guarantee that they can get to work on time. You have already admitted that 40% of the delays are your direct

responsibility, and you have been fined. Only this morning there was an official announcement of hundreds of services cut in a very abrupt manner. There does not seem to have been any consultation at all about which services those are or what is happening. Are you fit to be running this railway?

Charles Horton: Yes, we are fit to be running this railway. We are in the middle of an extremely difficult moment in the franchise at this stage. It is a difficult and challenging franchise anyway, but the problems over the last few weeks following the industrial action taken by RMT conductors have added to some challenging circumstances that are inherent in the franchise.

If I may, I will say a word or two about what the franchise is there to do. We have three significant tasks. First, we have to introduce a number of new trains both on the Thameslink route and on other parts of our network. Secondly, we have to train a large number of additional drivers to drive those trains, and to put in place a more resilient service going forward. Thirdly, we need to introduce a new service pattern in 2018 that will deliver the improvements in service that the Minister spoke about before the franchise started.

Before I finish, I want to say to all our customers that I am extremely sorry for the poor service they have experienced, particularly in the last few weeks. I understand that it is not just delay to a train; it has a massive effect on customers' lives and I want to apologise most sincerely for all the difficulties that have been caused.

Q140 Chair: But you knew about a lot of the difficulties before you took this on. You knew about the major works that were taking place. Surely you should have been able to plan better. In particular, one of the issues is to do with drivers and management. On the remedial plan that you have now been forced to agree with the Department because of your failures, there are all kinds of objectives about improving numbers of drivers, managers and all the rest of it, but not until September 2017. Doesn't that suggest that you were wholly unprepared for running the service? This is entirely separate from the industrial dispute that is going on now.

Charles Horton: I think it is commonly understood now that the impact of the works at London Bridge were underestimated right across the industry. The London Bridge works involve digging up the railway, in effect, while continuing to operate services. The effect of that in terms of additional delays and cancellations has been much more significant than anyone understood before the franchise started.

The remedial plan makes a commitment on our behalf to add a number of additional drivers, to make some further improvements to the reliability of our rolling stock and to add some additional management posts to put in place additional service management arrangements. It reflects the fact that, compared with the previous situation on this part of the railway network, when a delay occurs we see a fourfold increase in the reaction to that delay.

Dyan Crowther: Could I add something, Chair? I understand the point that we could have planned for this. We had planning assumptions that were given to us by Network Rail and by the Department. For example, the planning assumption around the impact of the London Bridge works was a decrease in PPM—public performance measure—of 1%. We dropped by nearly 7% after the London Bridge works commenced. Delay minutes were assumed to be 10,000 over the course of a year. We incurred 10,000 minutes in a week. We took the planning assumptions and we planned with what we were given. As Charles

said, the whole impact of London Bridge and the diversion of the Thameslink services was completely underestimated.

Q141 Karl McCartney: Your passengers will be very interested to hear some of the answers to the questions today. One of the ones I have initially is, regardless of your managerial experience, what railway insiders do you already have on board looking at your service patterns, and have you brought in any others since your recent troubles?

Charles Horton: We have a very experienced management team running the franchise. Both Dyan and I each have 30 years' experience in this industry. Our directors' team has very wide managerial experience within the rail industry, and we use a number of advisers to assist us on specific aspects of running our service—for example, around driver management and resource planning—and to assist us in bringing the best practice from right across the industry into our company.

Q142 Karl McCartney: What general area do you both live in?

Charles Horton: I live in Horsham.

Dyan Crowther: I live in Baldock, which is on Great Northern.

Q143 Karl McCartney: I just wanted to check whether you use the service quite a lot.

Charles Horton: I am a daily user of our service, so I have the same challenges as our customers at the moment.

Q144 Martin Vickers: Mr Horton, you seem to be blaming everything on the problems at London Bridge, which I think we all recognise caused unexpected delays and so on, but staff shortages are entirely the responsibility of the company. You knew what the timetable commitments were, and you simply did not have enough staff to deal with them. Why not?

Charles Horton: At the start of the franchise, we had fewer drivers than we anticipated based on the evidence that we had in the data. Immediately on taking over the franchise we launched the UK's biggest ever driver training programme to address that shortfall, but unfortunately it takes 14 months to train a driver off the street. It is taking time for us to get driver numbers up to the level we need to be in a situation where we do not cancel a train as a result of a shortage of drivers, particularly at the very busiest periods during, for example, a holiday season. We have made substantial progress on bringing additional drivers into our company, and we continue to do that. At the moment we have something like 270 drivers in training right across the GTR franchise, and 82 in training on Southern.

Q145 Martin Vickers: When you knew that you had that problem at the start of the franchise, with the timetable commitments you had made, did you discuss with DFT the fact that you were not going to be able to deliver on your franchise commitments?

Charles Horton: We have an ongoing dialogue with DFT on all sorts of matters in relation to running the business. We explained the situation to them. We spoke to them about what

our plans were to address the shortfall, and we put in place plans to address it immediately.

Q146 Martin Vickers: Were DFT satisfied with that, knowing that it would cause the delays that have resulted?

Charles Horton: Ultimately, we were in breach of our franchise obligations for cancellations. That led to the establishment of the remedial plan. DFT then required us, as is entirely proper, to put in additional investments to address the shortfall and improve services for passengers as quickly as possible.

Q147 Martin Vickers: In relation to the investment you speak of, how much additional cash resource have you put in?

Charles Horton: Directly, £7 million of additional money has gone into employing more drivers than we anticipated, and for the additional management and rolling stock programmes.

Q148 Martin Vickers: From an economic point of view, is that a sensible investment? Do you still get a return on the operation?

Charles Horton: We made a commitment and we stick by our commitment. We have committed to delivering a number of franchise commitments and obligations. The plan we put in place was our evaluation of what was necessary to improve services for customers as quickly as possible. Our judgment was very much centred on the right thing for passengers and not on a direct economic evaluation of the plan.

Q149 Chair: Let me go back to drivers, because they are pretty fundamental. When you were awarded the franchise you claimed that you would have the correct number of drivers. Why didn't they materialise?

Dyan Crowther: There were a number of reasons. There was a larger vacancy gap than we anticipated when we took over the franchise from First Capital Connect. In addition, the drivers that were available were less productive than we anticipated; again this was all on assumptions. That gave us quite a significant gap. We were expecting just over 650 drivers and we had something like 607, so every driver's turn would cover eight services. It becomes quite significant. When you have one driver not available, that is eight trains that cannot be—

Q150 Chair: What do you mean when you say less productive?

Dyan Crowther: Things like higher levels of sickness and higher levels of rest-day working than we had planned for.

Q151 Chair: You are talking about what you had planned for, but this is all pretty basic, isn't it? When you applied to be awarded the franchise you stated that you had the necessary number of drivers. Was it immediately that you found that was not the case?

Dyan Crowther: Yes.

Q152 Chair: They did not exist. You did not do much checking, did you? Where did the figures all come from at the beginning?

Dyan Crowther: I was not part of the mobilisation of the franchise. When you take on a franchise, there is a mobilisation team. There were a number of meetings that had taken place between the handover and the commencement. All the information that we were given at the time led us to believe that we would have a robust enough resource pool.

Charles Horton: It is also fair to say that, in the time between the franchise award and immediately at the start of the franchise, there was an increase in driver turnover. The average driver turnover had been something like 3.4%. I think it rose to something like 5.6% in the immediate period, which meant that we lost a lot of drivers quite close to the start of the franchise.

Q153 Chair: Why did that happen?

Charles Horton: Because of other driver opportunities and jobs elsewhere in London and the wider industry.

Q154 Chair: Why did they find those more attractive to go to than staying where they were?

Charles Horton: There is always movement of drivers around the industry. People for all sorts of reasons—

Q155 Chair: If there is always movement, why did you not build that into your assumptions?

Charles Horton: Because the level of turnover in that period was unusual and higher than expected.

Q156 Chair: Do you know now why that was?

Charles Horton: Those people left the business before we took over, so we do not have that data. What we do know is that there were other jobs coming up in the industry—

Q157 Chair: But why couldn't you anticipate that? As you have just said to me, drivers move and people go to work elsewhere. You must have known it was a possibility

Charles Horton: But, of course, we do not know where people are likely to go. At the end of the day, what we have is the number of people who start with us on day one when we take over.

Q158 Chair: But it is pretty basic. If you are awarded a franchise and you do not have the number of drivers that you said you were going to have, it is pretty basic stuff

Charles Horton: But we are given the number of drivers we inherit at the start of a franchise. There were fewer than we expected and we immediately took action to put in place additional driver training and resources. We opened a new training centre. We tripled the number of courses. We put in place a significant programme of recruitment,

and we have now established the UK's biggest driver training programme. We could not have taken action more quickly than we did. The challenge for us, of course, is that, given that it takes 14 months to train a driver, there is no magic answer and no magic wand I can wave in these circumstances.

Q159 Chair: One of the reasons you were fined was the driver problems, wasn't it?
Charles Horton: Indeed.

Q160 Chair: It was a real problem. Let me look at another point in the remedial plan that was agreed. You said it takes time to train a driver. That is correct, but this is a remedial plan when you were in major trouble with the Department for not implementing what you should have done. It says, "Appoint a Business Excellence Improvement Manager," but that will not be done until September 2017. Why?

Charles Horton: Just to explain, there are a number of posts and a number of commitments in the plan. The fact that there is a 2017 end date or review date does not mean that we are waiting around to recruit or appoint those people.

Q161 Chair: When will that person be appointed?
Charles Horton: That person is already appointed.

Dyan Crowther: They were appointed three months ago.

Q162 Chair: And the resource training and risk manager? Has that person been appointed?

Dyan Crowther: They are in place, yes.

Q163 Mary Glendon: You have already alluded to rest-day working. To what extent are Southern services dependent on rest-day working? Did GTR impose a ban on rest-day working during the strike? If so, why?

Charles Horton: I will take the first of those, and maybe Dyan can take the second. I am really pleased to have the opportunity to explain this and to confirm absolutely that there is no ban on rest-day working and there never has been any ban on rest-day working. Anybody who wishes to work overtime can work overtime—conductors and drivers. If we have a job for them to do, we would be delighted if they would come and work overtime. On the question of how much reliance we place on rest-day working, I turn to Dyan.

Dyan Crowther: We rely on rest-day working, as do many other train operators. It is not just something that happens in GTR. We go through a process of negotiating with trade unions, both ASLEF and the RMT, an agreed establishment—the minimum number of resources that we would require to operate a specific timetable cycle. Some of the inputs to that establishment are things like current sickness levels and future training requirements. Because we are going through so much change at the moment, our drivers are required to undertake a significant amount of training on new rolling stock and new infrastructure layouts. We take all of that and then we agree a sensible level of overtime. There is a recognised agreement, where we agree with the trade unions the level of

overtime that we would expect to be worked over a future period. Generally, we have a stated aim of 5%.

Q164 Huw Merriman: Following on from that, is it the case that your drivers and conductors are not contracted to work on a Saturday and Sunday? Is that what you mean by rest-day working?

Dyan Crowther: Yes, that is correct. We have different terms and conditions. Sundays are not part of the working week, so we are very reliant on voluntary and rest-day working for those types of turns.

Q165 Huw Merriman: Effectively, you are reliant on the unions in terms of the services that you can operate at the weekend.

Dyan Crowther: Yes.

Q166 Huw Merriman: I am going to come back to that, if I may. I want to touch on the reduction of about 15% of your services. I waved it as an irate passenger at the union, so in the spirit of fairness, I shall now do so with management. I have noticed that the Ashford to Brighton line, which affects the constituents I serve in Bexhill, is going to be impacted by that. I was at Bexhill station on Friday and I watched cancellation after cancellation come up. To a certain extent, this will not actually make much difference because so many services are being cancelled. What guarantees do you have that, by taking this action, the 85% that are left will actually run?

Charles Horton: The intention behind what we have done with amending the service, which is a decision we have taken reluctantly, was on the basis that we believe it will give us the opportunity to guarantee passengers a more reliable service than they are getting today. You are absolutely right that at the moment we are having a very high level of cancellations. Those cancellations are random and many of them take place in the peaks when many more customers travel. What we are doing is moving our train crew resources around to cover a service plan that concentrates on providing more capacity at peak times and on the predominant passenger flows, but also seeks to add more resilience behind the scenes so that when we get short notice problems we are able to recover more quickly from delays. Reliability is designed in—

Q167 Huw Merriman: Have you modelled it, so that you know that if you take one service out the other one will run?

Charles Horton: That is very much the way in which we have designed the timetable. At the moment, some of the cancellations are simply because train crew themselves are disrupted by a cancellation and are not able to get to the next train on their duty because the train they should be travelling on is not in place. This plan will deliver a better, more resilient and more reliable service for passengers. We are also taking the opportunity to use some of the rolling stock we are cancelling at the moment and putting it on to additional services where we can, to lengthen the service.

Q168 Huw Merriman: That is vital, because I am talking about two carriages on a busy line with an hourly service. It is already bedlam, so if you take one out it is vital that you

have modelled it and that it is going to be right. I want to move on. When I asked the unions, it seemed to me that their issue is not so much the current situation—they recognise that their conductors will have a job—but some form of guarantee that in the future there will always be a second person on the train. Going back to my first point that you are so reliant on the unions in terms of co-operation to run your service, surely it makes sense to work with the Department for Transport to offer that. I cannot see any way through this dispute otherwise. It is quite a simple dispute really. One side is here and the other side is there. I do not know if other Committee members feel this, but it does not strike me as that difficult to decipher. Can you meet them halfway as far as that is concerned, and offer them something in the future and not just jobs right now?

Dyan Crowther: We have already said to the trade unions that we will guarantee the number of on-board supervisors to the end of our franchise. We have already given that guarantee. What we have not been able to do is enter a negotiated agreement with them, because of the position they have taken.

Q169 Huw Merriman: They said to us that they want to negotiate with you. What more can you do to make that occur? What have you done already, and what more do you think you could do?

Charles Horton: We have met with the RMT a number of times, both formally and informally, over the past few months to talk about these proposals. The last formal meeting was at ACAS. At that time, we said to them that we were prepared to give commitments on no compulsory redundancies; we guaranteed 440 on-board supervisors to the end of the franchise; and we said that the conductors we need to retain, because we need to retain a number of conductors, will be in a ratio of 2:1 for every turn. Those are all things that we are prepared to put on the table and guarantee to the trade unions.

Q170 Huw Merriman: That suggests that as you can only guarantee to the end of your franchise, which I understand, it requires the Department for Transport perhaps to offer something beyond the franchise.

Charles Horton: Yes. To put it in legal parlance, I cannot fetter the discretion of a future Secretary of State. I have to run my business to the end of the contract, and make commitments on that basis. I cannot fetter a future franchisee either.

Q171 Huw Merriman: We might need to ask the Rail Minister whether she can actually do that, notwithstanding the fact that she may not be in post beyond 2020. Ultimately it seems to me that the key to resolution is with the unions and, ultimately, with the Department for Transport.

Charles Horton: It is with us as well. We have to take our responsibilities and manage the situation, because we are the employer of the people who have taken strike action. It is our job to work with them and find a way through this challenge and this problem ourselves.

Q172 Chair: Do you accept the need for safety training for the second person on board?

Charles Horton: Sure. The on-board staff will be trained in safety. The change that we are seeking to make is for the driver to take full responsibility for closing the doors. The driver

already opens the doors, but what we are looking to do is to get the on-board supervisor no longer involved in the task of closing the doors. That frees up the on-board staff to spend more time with passengers, moving through the train, selling tickets, giving information and providing a reassuring presence, which is what we want to achieve.

Q173 Chair: What level of safety training will they have?

Charles Horton: They will be trained to deal with emergencies, to deal with evacuations from the train and to deal with the on-board emergency equipment we have on trains in those circumstances; they will have safety training.

Q174 Mary Glindon: I want to go back to something you said, Mr Horton. You said that there is “compelling evidence” that a rise in staff sickness and absence during the industrial dispute, in effect, amounts to “unofficial strike action”. What is the compelling evidence that you have?

Charles Horton: At the time of the first strike, we saw a doubling of sickness among conductors. We saw the clustering of that sickness in a small number of locations. We also saw that the change was completely unprecedented for us. We have not seen sickness change like that on that basis. There were three things: clustering, unprecedented change and a doubling overnight. That seemed very unusual to us.

Q175 Mary Glindon: Did you know what the sickness was for each individual? Why was each individual saying they were sick? Did you not believe them, based on what you are saying?

Charles Horton: It seemed unusual to us to have that sudden change. Before the dispute, we had approximately 21 conductors off sick at any one time. Overnight, we saw that double to 40, and in the subsequent period that has increased and then come back down again on occasions. It has been a pretty unusual lengthy period of very unusual sickness patterns.

Q176 Mary Glindon: You said you had compelling evidence. It rather adds to the industrial problems and the dispute if you are saying that someone who may genuinely be ill perhaps isn't. Could it lead to more stress and sickness if people feel threatened in that way?

Charles Horton: Like every employer, we have an attendance procedure. Every person who is off sick at the moment will be covered by that attendance procedure. It will involve interviews when people return to work, to check on their welfare and talk to them about why they have been off. It involves managers making welfare calls on a regular basis when people have been off for a protracted period of time. It also involves the services of our internal occupational health department to deal with people's sickness when they are off sick. We have a comprehensive programme to deal with that. We do not make assumptions. We deal with every individual and look at every individual case, but, as I said, that sudden and unprecedented rise was very unusual for us.

Q177 Mary Glindon: Did you think it was helpful to the situation in overall terms to suggest that the sickness was part of unofficial strike action?

Charles Horton: I do not know whether it is helpful or not, but I think that is the conclusion I draw from what I have seen.

Q178 Chair: Did the Department agree with you the 350 cuts to services every day that you announced this morning?

Charles Horton: No. This is our initiative, based on our understanding of the best way in which we can provide services to passengers. The Department have not approved or agreed the plan that we have put in place. It is for us to persuade them and tell them why we think that delivering a reduced level of service is the best way of guaranteeing that more passengers are able to get a service when they need one.

Q179 Chair: The Department did not agree this with you; is that what you are saying?

Charles Horton: No. They did not approve the change.

Q180 Chair: How did you decide which services were to be cut?

Charles Horton: We knew that we needed to do something to address the problem of capacity in the peaks. What we were seeing were very significant levels of peak cancellations. Of course, that is the time when more customers are travelling. First, we looked at how we could improve the resilience of our peak service. We looked at where there were no alternatives for customers to use other train services. We run alongside a number of other train operators, and we tried to protect services where there were no alternatives.

In a couple of instances, we also looked at where we could use road transport as an effective replacement for the train services that we were planning to withdraw. Finally, we looked at what levels of train crew cancelling those services would provide to us. Where relatively higher numbers of train crew were made available by cancelling those services, we targeted in on those. Those four measures allow us to make the most effective use of the crew resources we have available while protecting services to passengers, which is our primary concern.

Q181 Chair: I have had representations already from people saying that the area where they live will be cut off from their access to, for example, Gatwick and Eurostar. They will not be able to get to those very important places. Was any of that under consideration?

Charles Horton: We certainly looked at the effect on the airports on our network. We happen to have two major airports: Luton and Gatwick. Obviously Gatwick is most affected by the current situation. We have tried to preserve capacity for the airport, as well as for other services to London, but when you are cancelling that many services there are no easy choices. We think we have made the most appropriate service pattern we can, taking into account all the factors I outlined.

Q182 Chair: Will there be any refunds for people who have season tickets?

Charles Horton: Passengers are able to claim delay repay compensation against the normal timetable. Their delay repay will be based on what they would normally get, and

therefore many of them will be claiming delay repay compensation on a regular basis. It will be based against the normal timetable. As you will be aware, the Prime Minister made mention at Prime Minister's questions last week of an intention to look again at the question of compensation for passengers on Southern. We have provided some information to the Department for Transport to help them with their deliberations on that matter. It is something we understand that the Department will wish to make an announcement on in due course.

Q183 Chair: Will it be made easy for people to claim their rebate when the service is not there, or will they have to fight to get it?

Charles Horton: The process for claiming delay repay compensation is very straightforward. It involves a simple uploading of the ticket you have and a very simple web form on our website. We have spent a lot of time promoting delay repay compensation to passengers, and we want to make it as easy as possible for customers to get their delay repay compensation. We have also automated our delay repay system behind the scenes in the back office to pay compensation claims more quickly. We have a clever piece of technology helping us to pay claims as quickly as possible.

Dyan Crowther: In terms of the total number of contacts that we have on delay repay, 80% are paid out on first contact. We try to smooth things as quickly as possible so that customers do not have to come back again.

Q184 Martin Vickers: You are talking about refunds and so on. What is the estimate of the cost to the company so far of the problems you have been experiencing?

Charles Horton: I do not have those figures to hand.

Q185 Martin Vickers: You must have some idea, surely.

Charles Horton: As I said, I do not have those figures to hand. They are something that we would need to collect and gather together. It is a very substantial cost to us, because we are employing additional resources. We are bringing in many people to support the temporary timetable and to provide some assistance to customers. We made a loss last year on GTR. This year we do not expect to make a profit. This is a very challenging business from a financial point of view.

Q186 Martin Vickers: I want to return to an earlier point in the questions I asked. Are you now saying that on the day the franchise started you and the DFT knew that you did not have sufficient staff to maintain the services you were committed to?

Charles Horton: When we walked into the franchise on the first day, we expected 636 drivers, and I think from memory we had 611.

Q187 Martin Vickers: On day one, in effect, you knew that you could not provide the services you were committed to.

Charles Horton: We were then reliant of course, to provide those services, on levels of overtime and rest-day working. We obviously encouraged people as much as we could to get them to work overtime and rest days, but of course that is at their personal discretion.

Q188 Martin Vickers: But it very soon became evident that you were not in a position to maintain the services. Did you inform DFT? Were they fully informed and did they know?

Charles Horton: As soon as we realised that the number of drivers was short of where we needed to be, and we had made an assessment of the productivity of the drivers that we inherited, we of course informed DFT and told them of the challenge that would present to us.

Q189 Karl McCartney: Your passengers will want to know that this claim that it is a temporary new timetable is just that—temporary. In your view, how long is temporary? What is likely in reality? You have also told us that it takes 14 months to train a new train driver. One presumes that it takes less time to train a new conductor or on-train supervisor. How quickly will you get your staff levels back up and be able to reintroduce some of the services that passengers currently rely on but will not have during this temporary period?

Charles Horton: You raise a very good point. We have said that the timetable will be in place initially for four weeks. During that four-week period it is our intention to work tirelessly to get people back to work and get people who are currently sick back to work with us. It is also our intention to press ahead with the introduction of the new on-board supervisor role and make the changes there. What we hope to do, and plan to do, is to get services reinstated as quickly as possible. We do not want to do that until we can guarantee that customers are not going to have what they have had over the past few weeks, which is the random level of cancellations that have created all sorts of problems.

Added to the conductor issue, we have seen a reduction in appetite for rest-day working among some of our drivers and an increase in driver sickness. We will also be addressing that point at the same time.

Q190 Mary Glendon: In relation to Gatwick, you said that you were trying to preserve services for the airport. With the expansion still possible at Gatwick, that could mean that over 25 million people were using the Brighton main line service. What are you saying to the airport about that? What kind of capacity would you have to give the service travel feasibility?

Charles Horton: The plan for the franchise includes a substantial increase in capacity on the Brighton main line. The new Thameslink trains that we are introducing are 12-car trains with very significant large through gangways, which will allow us to add very substantially to the capacity on the Brighton main line. As part of our 2018 timetable we are also introducing additional services on the Brighton main line and through the Thameslink core. Through the Thameslink core we are going to be running 24 trains an hour, which is a very substantial boost in capacity.

Dyan Crowther: In so far as the amended timetable is concerned—the revised timetable from next week—our passenger services director Angie Doll has met with Gatwick Airport Ltd, and we have tried to match the capacity to when they have peak flows. We have tried to make sure that we protect the Gatwick Express service in line with when the airport itself has peak flows coming through. We have good dialogue with the airport, we

understand their issues and we try to work closely together to make sure that we minimise any impact on customers.

Q191 Mary Glendon: You can understand why there could be concerns about that.

Charles Horton: We understand that. Gatwick airport is an important partner for us and an important business on our route. We work extremely closely with them.

Q192 Huw Merriman: A question has just come through that has been brought to my attention. How can reducing services by 15% allow you to run a better timetable? Is it the case that you think you will end up with more services operating because you will be cancelling less than 15%? Does that answer the question that has just been posed? You are reducing by 15%, so how can you deliver a better service when you are reducing 15% of the services? Is it because you will end up with more services, even with a reduction of 15% because you will be more organised?

Charles Horton: The problem with the services at the moment is that, given the random nature of the cancellations, we are seeing consecutive cancellations, for example, on lines of route because of the shortage of train crew during this period. By using the train crew we have available to us, we will be able to make sure that we deploy train crew on services that allow us to maximise the number of services that we operate and provide a bit of a buffer for resilience behind the scenes.

Q193 Huw Merriman: The other point I want to touch on is this. You have said yourself that you are not making money on this service. In the past, the east coast franchise was returned by the operator. Are you guaranteed on this franchise until the end of your term?

Charles Horton: We have said that we are committed to delivering on the promises and commitments that we have made. This business is an important business for us. We are committed to delivering the improvements that the Chair spoke about right at the beginning. The fact that we have significant difficulties at the moment does not diminish our enthusiasm, our energy and our commitment to deliver the improvements passengers want to see and which we desperately want to deliver to passengers as quickly as possible.

Q194 Huw Merriman: In a way, you are in quite a good negotiating position with the Government on this. Somebody very senior in the Department for Transport has been quoted as saying that he could take the franchise back in-house but he would run a worse service than your team and it would take him 18 months to get up to speed with it. Actually you have good bargaining power. You are not making any money from it. You are taking a lot of flak. Surely, it comes back to the point about getting something extra from the Government in terms of the future for the second person on the train. You are in quite a good position to squeeze the Government a bit.

Charles Horton: Our objective is to meet the promises we made to deliver on the commitments we entered into. That is our focus.

Q195 Chair: But you are getting paid to run the service; that is why you are doing it. You have been fined £2 million. What proportion of the fee that you are receiving from Government is that?

Charles Horton: Our turnover is about £1.3 billion. Just over 90% of that comes from a fee for running the franchise, but we do not take any of the passenger revenue, which normally would be the case in a train operating company.

Q196 Chair: But how much do you get? What is the fee you get for running this franchise?

Charles Horton: I do not have the figure for this year to hand.

Q197 Chair: What is the order of the figure?

Charles Horton: The order of the fee is over £1 billion for running the franchise. As I say, I can advise the Committee subsequently where we are with that. We receive a fee because we do not receive any of the passenger revenue.

Q198 Chair: But you are receiving in the billions, so a fine of £2 million is not going to worry you too much, is it?

Charles Horton: Given that a lot of our costs are fixed in this business—they come from payments we make to Network Rail and for the leasing of trains—as a proportion of the discretionary costs in our business it is a relatively significant fine.

Q199 Chair: How much?

Charles Horton: Again, I do not have that figure.

Q200 Chair: You do not have the figure, but I suspect that £2 million is not much of a problem to you. What prospects do you hold out for all the angry people who are totally fed up with the pathetic service they are getting? What can you promise them now?

Charles Horton: I repeat what I said at the beginning to all the customers who have been badly inconvenienced over the past three weeks. I am genuinely very sorry. I commit to them that we are working very hard to get people back to work. We will implement the amended timetable to give them more certainty in the meantime, and we will move on with implementing this role and make sure that we make the changes they want to see in terms of investment in new rolling stock, in improved services and in better information. They are all the priorities they say they want to see.

Q201 Chair: But when? When are they going to see this?

Charles Horton: During the course of the summer, passengers will start to see parts of the new London Bridge station opening. Towards the end of this year, a fourth approach track will open at London Bridge, which will unscramble the tracks on approach to the station and help to improve the quality and reliability of services there. This autumn we are introducing further improvements on ticketing, so our KeyGo product, which is pay as you go for the railways, is going to be implemented. We are putting in place additional information improvements over the course of this year. We are training more drivers than

any other train operator. We have the biggest UK driver training programme in place. Passengers will see the new class 700 trains coming into service on Thameslink during the course of this summer. We have our first one running at the moment. By the end of the summer, the Gatwick Express will be totally operated by the new trains.

Q202 Chair: How much overcrowding is there going to be on the trains that are running because you have cancelled the other services?

Charles Horton: Compared with where we are today with the random nature of cancellations, crowding levels should improve because we will provide a more evenly intervalled service than at the moment. Many customers have raised concerns about how uncomfortable services are at the moment.

Q203 Chair: Will that get worse?

Charles Horton: We expect to see crowding levels evening out because of more regular intervals between trains.

Q204 Chair: The things you have said all sound very good, but it does have a feeling of being far away for the individual passenger who wants to be sure that when they go out in the morning they are going to get to work on time. When is that going to be the case?

Charles Horton: From the start of next week, with the amended timetable, passengers will have a basis on which they can plan their journeys. I am genuinely very—

Q205 Chair: A basis on which they can plan their journeys. That is not quite the same, is it? From next week, will somebody catching a train to get to work be assured that they are going to get there?

Charles Horton: What is happening at the moment is that we are seeing, as I said, random cancellations and people not able to plan their lives.

Q206 Chair: When will they be able to plan them? Next week?

Charles Horton: From Monday of next week the—

Q207 Chair: From next week people who go to catch a train to get to work can be reasonably assured that they are actually going to get to their job on time.

Charles Horton: Indeed. That is the intention of putting in the amended timetable. Your point is a reasonable challenge around the improvements we are making and about when passengers will see some improvements. The new trains are this summer. The improvements to London Bridge are this summer. The ticketing improvements are at the end of this summer. There is a lot happening and a lot coming on stream. Those are just the start of the improvements we will be making during the life of the franchise. There is lots to come next year as well.

Q208 Chair: Most urgently, people want to know that they can get to work and get home. Can those simple things be fulfilled?

Charles Horton: Yes, and again—

Q209 Chair: The answer is yes. When? From next week, did you say?

Charles Horton: That is around the amended service pattern that we are putting in place. It should give customers a much better opportunity to have their guarantee that they get to work. What they tell me when they write to me is, “You’ve messed up my childcare. You’ve messed up my opportunity to see my family and put my child to bed.” Those are the things that really matter to customers. We understand that, and that is why we want to give customers more certainty.

Q210 Chair: From next week?

Charles Horton: Indeed.

Chair: We will hold you to that. Thank you very much.