

# Statement to Parliament: Rail timetabling

Mr Speaker

I would like to update the House on the recent timetable changes, in particular on some Govia Thameslink Railway (GTR) and Northern routes.

Let me be absolutely clear: passengers on these franchises are facing totally unsatisfactory levels of service. And it is my and my department's number one priority to make sure the industry restores reliability for passengers to an acceptable level. I want to assure the passengers affected that I share their frustration about what has happened, and that I am sorry that this has taken place.

This timetable change was intended to deliver the benefits to passengers of major investment in the rail network. This means new trains, including all trains on the Northern and TransPennine Express networks either new or refurbished, Great North Rail Project infrastructure upgrades worth well over £1 billion, such as in the Ordsall Chord and Liverpool Lime Street and, through the £7 billion Thameslink Programme, new trains and improved stations, including London Bridge and Blackfriars.

The huge growth in passenger numbers that we have seen in recent years demanded expanded routes, services and extra seats. But this timetable change instead has resulted in unacceptable disruption for passengers that rely on these services.

Mr Speaker

The most important thing right now is to get things back to a position of stability for passengers.

But it is also vital to understand what has happened and why we are in the situation we are today – and the circumstances for the failures are different on the Northern and GTR networks.

The investigations being carried out right now are giving more information about what has gone wrong, but it is also worth being clear that the industry remained of the view until the last moment that it would be able to deliver these changes. That is the bit that everyone will find hard to understand and why there has to be a proper investigation into what has taken place.

On Northern, which is co-managed through the Rail North Partnership by Transport for the North and my department, early analysis shows that the key issue was that Network Rail did not deliver infrastructure upgrades in time – in particular the Bolton electrification scheme – with damaging consequences. This forced plans to be changed at a very late stage – requiring a complete overhaul of logistics and crew planning.

The early analysis also shows that on GTR's Thameslink and Great Northern routes, the industry timetable developed by Network Rail was very late to be finalised. This meant that train operators didn't have enough time to plan crew schedules or complete crew training, affecting a whole range of other complex issues that impact the service of what is an already congested service.

But it is also clear to me that both Northern and GTR were not sufficiently prepared to manage a timetable change of this scale either. GTR did not have enough drivers with the route knowledge required to operate the new timetable. And neither Northern nor GTR had a clear fall-back plan.

In GTR's case, the process of introducing the new timetable was overseen for the last 2 years by an Industry Readiness Board, made up of Network Rail, ORR and the train operating companies and an Independent Assurance Panel.

Both of these groups have told me that they had been given no information to suggest that the new timetable should not be implemented as planned – albeit with some likely early issues as the timetable bedded down.

These bodies were set up specifically to ensure that all parts of the rail network – Network Rail, GTR, other train operators were ready to implement these major timetable changes – it should have been clear to them that some key parties were not ready. They did not raise this risk.

The department received advice from the Thameslink Readiness Board that while there were challenges delivering the May 2018 timetable, namely the logistics of moving fleet and staff, a three week 'transition' would allow minimal disruption. My officials were assured the other mitigations in place were sufficient and reasonable.

Indeed as few as 3 weeks before the timetable was to be implemented GTR themselves assured me personally they were ready to implement the changes. Clearly this was wrong, and it is totally unacceptable.

The rail industry has collectively failed to deliver for the passengers it serves.

It is right that the industry has apologised for the situation that we are currently in, and that we learn the lessons for the future.

But right now the focus should be on restoring the reliability of their service to passengers.

This morning I met again with Chief Executives of Network Rail, GTR and Northern – the latest in a series of meetings that my department and I have been holding with these organisations. And the Rail Minister has visited Network Rail's control centre in their Milton Keynes headquarters today.

We have made clear to them all that current services are still not good enough.

I have demanded that Network Rail and the train operator work more

collaboratively across the industry to resolve the situation – where necessary using resources from other train operators to support the recovery effort.

Officials in my department are working around the clock to oversee this process.

We have strengthened resources in both the department and Rail North Partnership – which oversees the Northern franchise – to hold the industry to account for improving services.

Mr Speaker, I would like to be able to tell the House that there is an easy solution, or that the department could simply step in and make the problems passengers are facing go away. If there was a way to do that, I would do so without hesitation. Ultimately, the solution needs to be delivered by the rail industry.

These problems can only be fixed by Network Rail and train operators methodically working through the timetable and re-planning train paths and driver resourcing to deliver a more reliable service.

It is for reasons like this that I am committed to unifying the operations of track and trains where appropriate to ensure we do not encounter problems like this in the future.

Northern Rail have agreed an action plan with the Rail North Partnership – this is focused on improving driver rostering to get more trains running as quickly as possible, rapidly increasing driver training on new routes, additional contingency drivers and management presence at key locations in Manchester, and putting extra peak services in the timetable along the Bolton corridor. Work on this action plan has been underway for some time.

They have also published temporary timetables that will be more deliverable and will give passengers much more confidence in the reliability of their service.

This will mean removing certain services from the new expanded timetable while ensuring there is still an improvement in the total number of services being run by Northern compared to before the timetable change.

Alternative arrangements will be made for passengers negatively impacted by the changes. I believe that this temporary measure is necessary to stabilise the service, enabling improvements to be introduced gradually.

On GTR, there are more services running on a day-to-day basis today than before the timetable change, and Southern and Gatwick Express services are performing well on some routes but not all.

However, GTR are not currently able to deliver all planned services on Thameslink and Great Northern routes.

In order to give passengers more confidence, GTR are removing services in advance from their timetable rather than on the day and reducing weekend

services to pre-May levels. This will be in place until a full re-planning of driver resourcing has been completed.

Mr Speaker, I would like to be clear, while I expect to see stable timetables restored on both networks in the coming days, I expect the full May timetable – and all the extra trains – to be introduced in stages over the coming months in order to ensure that it can actually this time be delivered properly.

And once the full service is operating on GTR, 24 Thameslink trains will run through central London every hour. 80 more stations will have direct services to central London stations such as Farringdon, City Thameslink and Blackfriars by next year.

There will be 115 new trains and more than 1,000 new carriages providing faster, more frequent and more reliable journeys for thousands of passengers.

And on Northern, the Great North Rail Project, an investment of well over £1 billion in the region's rail network will enable, by 2020, faster and more comfortable journeys, as well as new direct services across the north and beyond.

By 2020, it will see the train operators, Northern and TransPennine Express, deliver room for 40,000 extra passengers and more than 2,000 extra services a week.

What matters now is developing a stable service for passengers today.

But I completely understand that passengers are angry at the levels of disruption that this timetable change has caused in recent weeks.

And that is why there has to be a compensation scheme for passengers on affected routes on both GTR and Northern (subject to agreement with the board of Transport for the North) will be introduced and funded by industry, to ensure regular rail customers receive appropriate redress for the disruption they have experienced.

The industry will set out more detail of the eligibility requirements and how season ticket holders can claim. However I believe the scheme should offer passengers, particularly in the North where disruption has been protracted, similar entitlements to last year's Southern passenger compensation scheme. Commuters in the North are as important as commuters in the South and should receive comparable compensation.

It is also clear to me that aside from Network Rail's late finalisation of the timetable, GTR and Northern were not sufficiently prepared to manage a timetable change of this scale.

So today (4 June 2018) I am also announcing that work has started to set up an inquiry by the independent Office of Rail and Road (ORR), chaired by Stephen Glaister, into the May timetable implementation.

It is necessary to have a full enquiry.

The inquiry will consider why the system as a whole failed to produce and implement an effective timetable.

The findings will be shared at as early a stage as possible with myself and the rail industry so that lessons can be learned in advance of future major timetable changes. The final report will be published by ORR by the end of the year but I want initial responses much sooner than that.

In parallel to the inquiry my department will assess whether GTR and Northern met their contractual obligations in the planning and delivery of this timetable change.

My department will be assessing whether these issues could have been reasonably foreseen and different action taken to prevent the high levels of disruption passengers are experiencing.

In GTR's case the assessment will cover whether the operator had sufficient resources and skills to deliver the new timetable, if drivers could have been trained in a faster and more effective way, and examine the contingency and risk management arrangements in place.

Mr Speaker, if it is found that GTR are materially in breach of their contractual obligations, I will take the appropriate enforcement action against them. This includes using the full force of the franchise agreement and my powers under the Railways Act, and I will include how such a failure impacts on their eligibility to hold a franchise bidding passport.

In the case of Northern, my department will assess the operators planning, risk assessment and resilience in preparing for the May timetable change. Bearing in mind Network Rail's failure to deliver infrastructure on time, we will absolutely hold the operator to the terms of their contractual obligations. I will not be afraid to take action where it is necessary to do so. It is right to go through the review.

I will not hold back from taking appropriate action if the review finds that there has been negligent behaviour.

Finally, given the importance placed on these issues by colleagues on both side of the House, I have arranged for both Northern and GTR to meet with colleagues across the House this week to discuss any specific issues that they wish to raise with the operators.

Mr Speaker, I am incredibly frustrated that what should have been an improvement in services for passengers has turned into significant disruption. I am extremely sorry for the levels of disruption that passengers are experiencing and also sorry to those members of staff caught on the sharp end of these changes.

There clearly have been major failures that have led to the situation we are in today. I am clear that the industry must and will be held to account for this.

But my immediate priority is to ensure that the industry improves train

services to an acceptable level as quickly as possible and that will remain my priority.

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## Statement to Parliament: Statement to Parliament on Horizon project at Wylfa Newydd

With permission, Mr Speaker, I would like to make a statement on the proposed Wylfa Newydd nuclear power plant.

Britain was the world's first civil nuclear nation, and nuclear energy has powered homes and businesses in this country for over 60 years and currently provides around 20% of our electricity needs with low carbon, secure and reliable baseload power.

Nuclear has an important role to play in the UK's energy future as we transition to the low carbon economy. However, we have always been clear that no technology will be pursued at any price: new nuclear must provide value for money for consumers and taxpayers.

In 2016, we agreed to support the first new nuclear power station in a generation at Hinkley Point C in Somerset. Developers have set out proposals for a further five plants to come online over the next few decades. As I said at the time the contract for Hinkley Point C was agreed, the Government expects future nuclear projects to provide lower cost electricity than Hinkley Point C.

The next project in this pipeline is the proposed Wylfa Newydd power station, based on Anglesey in North Wales. The project developers Horizon Nuclear Power, who are owned by the Japanese company Hitachi, have developed proposals to build two reactors with a combined capacity of 2.9GW. Hitachi's reactor design has been deployed on time and on budget in Japan, and last December completed the Generic Design Assessment process run by the UK's independent nuclear regulator, having satisfied our strict safety standards. Horizon submitted their application for Development Consent to the Planning Inspectorate last Friday.

I am pleased to confirm that today Hitachi and the UK Government have decided to enter into negotiations in relation to the proposed Wylfa Newydd project. This is an important next step for the project, although no decision has been yet taken to proceed, and the successful conclusion of these negotiations will of course be subject to full Government, regulatory and other approvals, including but not limited to value for money, due diligence and State Aid requirements.

A key focus of discussions with Hitachi has been – and will continue to be – achieving lower cost electricity for consumers. Both the National Audit Office and the Public Accounts Committee have recommended that the Government consider variations from the Hinkley Point C financing model in order to reduce costs to consumers.

In line with the NAO and PAC's clear findings and recommendations, for this project the Government will be considering direct investment alongside Hitachi, and the Japanese Government agencies and other parties. Our partnership on this project would serve as a further example of civil nuclear collaboration between the UK and Japan, building on the Memorandum of Co-operation that was signed in 2016 with that country.

The UK is likely to need significant new nuclear capacity in order to meet our carbon reduction commitments at least cost, particularly as we electrify more of our transport and heating. So alongside entering negotiations in relation to Wylfa Newydd, the Government will also continue to engage with the other developers in the UK new nuclear market on their proposals for further projects. This currently includes EDF over their plans for a follow-on EPR project at Sizewell C, CGN over their proposals for an HPR1000 reactor at Bradwell, and Toshiba regarding the future of the NuGen project at Moorside, as well as Hitachi over potential further ABWR units at Wylfa and Oldbury.

It remains the Government's objective in the longer term that new nuclear projects like other energy infrastructure should be financed by the private sector, and so alongside our discussions with developers we will be reviewing the viability of a regulated asset base model as a sustainable funding model based on private finance for future projects beyond Wylfa, which could deliver the Government's objectives in terms of value for money, fiscal responsibility and decarbonisation.

Support for nuclear is reiterated in the Nuclear Sector Deal which we will publish with the sector shortly. That deal, which the Government has developed in close partnership with the nuclear sector, will also include ambitious proposals to drive down costs across the sector, including by reducing the cost of construction in new build and by investing in innovation in advanced nuclear technologies.

If the Wylfa project were to go forward following this period of negotiation, it would provide around 6% of our current electricity needs until nearly the end of the century, whilst supporting thousands of jobs during construction and operation, particularly in Wales.

The actions this Government is taking will support a long-term pipeline for new nuclear projects in this country, and will provide the visibility needed to enable the industry to invest in the skills – including through the National Nuclear College– and the UK supply chain capabilities across the country. I will continue to keep the House informed during the negotiations.

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# Press release: PM Meeting with Business Advisory Council: 4 June 2018

A Downing Street spokesperson said:

This afternoon the Prime Minister chaired the latest meeting of her Business Advisory Council at Downing Street.

The Prime Minister, the Chancellor and the Business Secretary opened the roundtable by updating on the Modern Industrial Strategy following strong support at the last meeting in March.

The business leaders gave their support for recent announcements, including the PM's speech on science at Jodrell Bank Observatory last month. This speech set out four 'missions' associated with each of the Industrial Strategy's four Grand Challenges – future of mobility, healthy ageing, AI, and clean growth. These missions will galvanise public and private sector investment in the development and dissemination of new solutions to global problems, positioning the UK at the forefront of the industries of the future.

The Prime Minister then provided an update on the negotiations with the EU alongside the Secretary of State for Exiting the EU, setting out plans to provide greater detail of the Future Relationship in a White Paper due to be published shortly. The business representatives expressed their support for this approach, which will build on information provided through the Prime Minister's various speeches.

Finally, the Prime Minister invited the International Trade Secretary to discuss foreign investment into the UK and the opportunities and actions that Government and business should take to grow this in the coming years.

The meeting was also attended by the Chancellor of the Exchequer, Philip Hammond, Business Secretary, Greg Clark, the Brexit Secretary, David Davis and the Trade Secretary, Liam Fox.

## **Attendees**

- Emma Walmsley, CEO, GlaxoSmithKline
- Jacqueline de Rojas CBE, techUK President
- Dave Lewis, Group Chief Executive, Tesco PLC
- Sacha Romanovitch, CEO, Grant Thornton UK LLP
- Robert Noel, Chief Executive, Landsec
  - \* Gavin Patterson, Chief Executive, BT Group PLC
  - \* Leo Quinn, Group Chief Executive, Balfour Beatty



- \* Sir Roger Carr, Chairman, BAE Systems PLC
  - \* Dr Andy Palmer CMG, President & CEO, Aston Martin Lagonda Ltd
  - \* Dame Helena Morrissey CBE, Head of Personal Investing, Legal & General Investment Management
  - \* Paul Drechsler, President, CBI
  - \* Stephen Martin, Director General, Institute of Directors
  - \* Sir Gerry Grimstone, Chair, Standard Life Aberdeen PLC
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## **News story: Update to Parliament on breast screening incident**

The [update provides information](#) on progress contacting the women concerned and arranging screening for those who have requested it. The statement also provides an update on the numbers of women affected and includes the terms of reference for the independent review.

In response to the statement, Duncan Selbie, Chief Executive of Public Health England, said:

Our priority throughout has been the wellbeing of affected women and giving them the support they need.

I would like to reiterate our heartfelt and unreserved apology that this has happened. We welcome the terms of reference of the independent review and we will work fully with them to ensure it cannot happen again.

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## **News story: World Environment Day 2018**

As we move towards becoming a fully fledged environmental restoration company, World Environment Day gives us the opportunity to highlight the practical things we all can do to help.

Millions of us watched the unflinching pictures of the impact plastic waste is having on the world's oceans in the BBC's 'Blue Planet II'.

Sir David Attenborough and team highlighted the avoidable waste and single-use plastic in our seas that is damaging the environment.

Calum Jack, graduate environmental advisor, Sellafield Ltd said:

The sight of a sperm whale trying to eat a plastic bucket is a devastating one and made me take a look at what I can do to make changes and reduce my plastic use.

Simple things I'm doing are buying loose fruit and veg instead of packaged produce, using bars of soap and shampoo instead of those in plastic containers, putting my sandwiches in a Tupperware container instead of wrapping them in cling film, getting my milk delivered in reusable glass bottles as opposed to buying plastic bottles, no longer using disposable razors.

And the call is for us all to consider our impact on the environment for this year's [World Environment Day \(5 June\)](#) and [World Ocean Day \(8 June\)](#) as the theme for 2018 is beating plastic pollution.

There are more than 10,000 employees working directly for Sellafield, thousands more as contractors and in our supply chain. Just each of us making a small difference could have a huge impact.

We have become over reliant on single-use or disposable plastic with severe environmental consequences.

Did you know?

- around the world 1 million plastic drinking bottles are purchased every minute
- 500 billion disposable plastic bags are used worldwide every year
- 50% of the plastic we use is single use

World Oceans Day aims for us to work together to protect and conserve our shared oceans. The theme of plastic pollution continues:

- every year up to 13 million tons of plastic leak into our oceans
- the plastic that ends up in the oceans can circle the Earth four times in a single year and it can persist for up to 1,000 years before it fully disintegrates
- plastic also makes its way into our water supply and thus into our bodies.

The challenge is on for us all to do something to help take care of the environment. It can be at a local, national or global level; and be a team effort or solo contribution.

What can you do?

Here are some ideas:

- reduce your use of single-use plastics: Refuse any single-use plastics that you don't need such as bags, straws, cutlery, and cups. Instead

take with you reusable versions of those products when possible.

- recycle: Use the recycling bins provided at work and the council provided recycling boxes to segregate and recycle waste at home
- participate: Consider helping with organised litter picks or beach clean ups
- spread the word: Stay informed on environment issues and challenge others to be a part of the solution