

Speech: Rail renaissance: dealing with the consequences of success

Good morning everyone.

It's always a pleasure to be part of a Transport Times conference.

And today (13 September 2017) is no exception.

An expert audience.

Distinguished rail industry speakers.

And an agenda that tackles some of the big challenges facing the railway today.

Mind you – there are always big challenges facing the railway.

This is an industry that's been in almost constant flux since the Second World War.

From nationalisation in 1948.

And Beeching in the 1960s.

To the reorganisations under British Rail in the '70s and '80s.

And privatisation in the 1990s.

What's striking about these landmarks in rail history is that they were all attempts by government to reverse the fortunes of a declining industry.

Nationalisation under Clement Attlee's Labour government was an attempt to stabilise the 'big four' rail operators, each of which was effectively bankrupt.

The Beeching cuts were a radical response to a decade of falling passenger numbers and rising losses.

And privatisation was intended to halt the further slide of the railway – which had seen usage fall by almost a third between 1960 and 1995.

Of all these different reforms, it's that last one – privatisation – that stands out.

Because it's the only one that worked.

It didn't just stabilise passenger numbers.

It transformed them.

And laid a path for future success.

For a growing, competitive, profitable railway that delivered for the passenger and the taxpayer.

And that success is something to bear in mind today.

Because the issues you're discussing at this conference.

Like franchising, rail investment, and Network Rail's future direction.

Are all consequences of industry success.

Of a rail renaissance that not even the most enthusiastic supporters of privatisation could have predicted 20 years ago.

The statistic that's normally used to illustrate the impact of privatisation is that twice as many journeys are made on the railway today as in the mid-1990s.

And that's certainly true.

But there are other achievements that are no less impressive.

Rail's share of the overall transport market has also doubled.

More trains are running than ever before.

We've now got one of the safest railways in Europe.

And franchises are delivering.

Not just for passengers.

But for taxpayers too.

As Rail Magazine noted earlier this year, from requiring £1.5 billion of state subsidy in 1998 to 1999, train operators made a net contribution of more than £1 billion to the public purse in 2014 to 2015.

And they will continue to deliver more for the taxpayer in years to come.

Now of course not everything's gone to plan.

The standard of services on some routes has fallen well below the level expected by passengers.

But most franchises are working well.

And they show that we have now have a robust and sustainable foundation for running and financing the rail network.

So it's no surprise that other European countries are also ending state rail monopolies and opening up their networks to private operators.

Big challenges remain.

But they must be seen within the context of the huge progress we've made.

The question now is, how do we build on this success?

As with any competitive business, the first by-product of success is growth.

But to stay successful, you need to keep growing.

And that means you have to invest.

Today the rail network is operating on the edge of what it can cope with.

Many routes are under considerable pressure.

And yet demand continues to rise.

You can see that either as a problem, or an opportunity.

I see it as a massive opportunity.

The industry is in a unique position.

Knowing that there's a growing market out there for its services.

Few other businesses have that privilege.

Our job now is not to chase growth.

It's to make a growing railway viable.

We have not been in this position before.

Frankly, no post war government has.

So to support continued growth, we're delivering the biggest modernisation programme for more than a century.

And right around the country.

Take the Great North Rail Project.

Just part of a £13 billion northern transport programme this Parliament.

Already, links between Manchester and Liverpool are much improved.

New services to Glasgow have been launched.

But there's a lot more to come.

A comprehensive upgrade that from 2020, will deliver faster and more comfortable journeys for millions of passengers – from Bradford to Blackburn and Stockport to Sheffield.

Franchises are investing to transform services.

For example, [Northern and TransPennine Express](#) will bring more than 500 new carriages into operation, with room for 40,000 extra passengers and more than 2,000 extra services a week.

Within 3 years, all trains on these routes will be brand new or completely refurbished.

And finally, those wretched Pacers will be gone.

Something only the most hardened trainspotter could regret.

We are also investing in the biggest upgrade of the Midland Main Line since it was completed in 1870.

That will mean more seats and faster journeys during the peak.

The next operator will deliver modern, fast and efficient intercity and commuter trains, including a brand new set of [bi-mode intercity trains from 2022](#).

This will improve journeys sooner, without the need for wires and masts on the whole route, with further investment to ensure Sheffield is ready for HS2.

On the Great Western Line, new Intercity Express trains will provide 40% more seats in the morning peak once the full fleet is in service.

The first will enter service from this autumn.

And when electrification to Cardiff is complete, journey times between Swansea and London will be about 15 minutes shorter.

Next year, Crossrail opens.

Thameslink will be complete.

HS2 construction gets going in earnest.

We'll carry on improving services all around the country, from the Lake District to East Anglia.

And because we can never return to the 'stop-start-and-stop-again' planning of the past, it's vital we carry forward the next generation of rail projects.

So work will continue on developing Northern Powerhouse Rail and Crossrail 2.

Over the next few years, we'll see the benefits of a more mature franchising model.

And record investment in the infrastructure.

Really making a difference to passengers' daily journeys.

But I also want to see radical improvements to the way the railway is run.

I've been clear that there was a flaw in the privatisation process.

The separation of track and train into different businesses was a mistake.

It pushed up the cost of running the railway.

Both for taxpayers and passengers.

And it slowed down decision making about how to tackle the looming capacity crisis.

Greater fragmentation meant the industry lacked clarity and accountability.

And projects were continually hampered by complex contractual disagreements.

Yes, we've seen some improvements recently.

Closer, joined-up working on the Southern network.

The alliance structures built in to franchises like South Western and Great Western.

Better performance on the West Coast Main Line, partly because of greater co-operation.

And the launch of East West Rail to restart services between Oxford and Cambridge.

But this is only the start.

We need a lot more integration throughout the industry.

Network Rail, rolling stock companies, and train operators – working as one team.

Making infrastructure and performance improvements as part of a relentless drive to boost customer service.

So I will continue incentivising the industry to form joint track and train teams as new franchises are appointed.

Not as isolated examples.

But across the railway.

I expect the South Eastern and East Midlands franchises to have aligned management, and integrated operational teams between train and infrastructure.

This is a strategy that will not only underpin franchising.

But also Network Rail's devolution plan.

Putting more power and accountability into its route businesses.

Allowing them to form more effective partnerships with local train operators.

A joint board now supervises performance on the western route, and a new one for east coast was announced recently.

Supervisory boards for all routes should follow by next spring.

This will mean services are run predominantly by local teams of people whose whole focus is the smooth running of the timetable.

Whether it's planning essential repairs.

Responding to problems on the line.

Or communicating with passengers.

They don't have to work for the same company or organisation.

But they do have to work as one team, jointly responsible for achieving shared objectives.

For me, this goes to the heart of the debate on the structure of the industry.

It's not about ideology.

It's about common sense.

If the success of the railway since privatisation can be measured in the number of people using the network, increased investment, greater efficiency and improved safety.

Then success in the future will come from reorganising the way services are run.

Simpler, more accountable structures.

Joined up management.

Using all the skills and experience we have in spades across this great industry – to do one thing.

Focus on the passenger – and leave a true legacy of success for the next generation.

Thank you.

[News story: Defence Secretary announces £55m contract for UK bomb disposal robots at DSEI](#)

Following an initial £4 million demonstration phase, the robots will be purchased from US robotics manufacturer Harris under the MOD's Project Starter for use by the British Army, and will be supported by engineers at Harris EDO MBM Technology in Brighton, where the contract will sustain 10 highly-skilled jobs.

[In a keynote speech](#), the Defence Secretary outlined how the Harris T7 robots use 'advanced haptic feedback' to allow operators to 'feel' their way through the intricate process of disarming from a safe distance, protecting UK personnel from threats such as roadside bombs.

Defence Secretary Sir Michael Fallon said:

With our rising defence budget, we are investing in the latest equipment for our Armed Forces to tackle the growing threats we face. These state-of-the-art bomb disposal robots will be powerful and reliable companions to our troops on the battlefield, keeping them safe so they can help keep us safe.

The British Army's new bomb disposal robot.

Equipped with high-definition cameras, lightning-fast datalinks, an adjustable manipulation arm and tough all-terrain treads, the robots are able to neutralise a wide range of threats.

The haptic feedback function is designed to provide operators with human-like dexterity while they operate the robot's arm using the remote control handgrip. The unit gives the operator physical feedback, allowing intuitive detailed control.

The announcement comes after a competition between the world's leading manufacturers, organised by the MOD, with the new fleet replacing the current Wheelbarrow Mk8b. All 56 robots are due to be delivered to the UK and in service by December 2020.

Chief Executive Officer for Defence Equipment and Support, the MOD's procurement organisation, Tony Douglas said:

This contract has been designed to deliver future-proof, world-leading technology at the best value to the taxpayer. Innovation is central not only to the success of this remarkable system, but also

to the relationships across DE&S, Industry and the frontline commands which allowed this agreement to be reached.

With 141 international delegates from 60 countries, DSEI showcases British business and innovation across security and defence. The Defence Secretary toured the exhibition and announced the latest investment in advanced equipment for the UK's Armed Forces.

In addition to new bomb disposal robots, the Defence Secretary announced that UK personnel will be protected by a new lightning-fast protection system under development by the Defence Science and Technology Laboratory (Dstl). The new 'Icarus' system, involving a consortium led by Leonardo, will be able to detect and defeat threats to armoured vehicles within 100 milliseconds: many times faster than a human could respond.

The proof of concept Technical Demonstrator Programme is worth £10 million to the UK economy and will develop system sensors and countermeasures to defeat a wide range of current and future battlefield threats such as Rocket Propelled Grenades and Anti-Tank Guided Weapons, helping to protect the lives of the UK Armed Forces.

The Demonstrator Programme will initially secure 45 jobs across the UK and has the potential to create up to 250 jobs if the system is eventually deployed.

The Defence Secretary also pointed out that, for the first time, a full-scale model of the UK's future laser turret will be on display at DSEI. In January 2017 the MOD awarded a [£30 million contract](#) to the MBDA-led Dragonfire consortium, to demonstrate the potential of Laser Directed Energy Weapons. The demonstrator will be tested on UK ranges from 2018 with in-service capability planned by the end of the 2020s.

Following Minister for Defence Procurement Harriet Baldwin's [announcement of the successful first firings](#) at sea of the Royal Navy's new Sea Ceptor system last week, the Defence Secretary also pointed out that the British Army is showcasing the new Land Ceptor air defence system launcher at DSEI. Developed by MBDA, Land Ceptor will replace the Army's Rapier system as part of the new Sky Sabre capability.

The Innovation Initiative and £800m Defence Innovation Fund aim to transform Defence to encourage imagination, ingenuity and entrepreneurship. From laser weapons to autonomous vehicles, the MOD is working with small firms, academics, industry, and the [new Defence Advisory Panel](#) to find Twenty-first century solutions to defence challenges.

[News story: Nicholas Caton reappointed to the Prison Service Pay Review Body](#)

The Secretary of State for Justice has announced the reappointment of Nicholas Caton for a tenure of 3 years and 5 months.

Nicholas Caton has been reappointed to the Prison Service Pay Review Body (PSPRB) from 25 November 2017 to 30 April 2021.

Nicholas Caton worked for Ford Motor Company from 1982 until his retirement in July 2014, where he held a number of senior management positions. He retired from the position of Vice President Human Resources Ford of Europe.

PSPRB provides the government with independent advice on the remuneration of operational prison staff in the England and Wales, and Northern Ireland Prison Services.

This reappointment has been made in line with the Commissioner's Code of Practice for Ministerial Appointments to Public Bodies.

Appointments to PSPRB are made by the Prime Minister on the recommendation of the Justice Secretary in consultation with the Northern Ireland Justice Minister.

[Press release: Dstl to develop Active Protection System technology](#)

The Defence Science and Technology Laboratory (Dstl) has placed a contract with [Leonardo](#) to improve the survivability and protection of Land Armoured Vehicles through Active Protection System (APS) technology. APS can detect and defeat threat missiles within 100 milliseconds, which is less time than half the time it takes a human to react to a visual cue.

As the performance and sophistication of modern battlefield weapon systems continues to improve, the vulnerability of Land Armoured Vehicles and their crew to these threats continues to increase. Dstl is conducting a proof of concept Technical Demonstrator Programme (TDP) to develop a Modular Integrated Protection System (MIPS). Under the Icarus TDP, Leonardo will lead a team of UK industry experts to develop an APS Electronic Architecture (EA) that is founded upon Modular Open System Architecture design principles.

The MIPS Electronic Architecture will provide a common infrastructure that

will deliver UK operational sovereignty and enable “best of breed” commercial off the shelf APS sensors and countermeasures to be selected, integrated and deployed to defeat a wide range of current and future battlefield threats. This will enable the provision of a weight-efficient and affordable protection system capability that can be tailored to protect military vehicles against threats such as Rocket Propelled Grenades (RPGs) and Anti-Tank Guided Weapons (ATGWs) thereby helping to protect the lives of the UK Armed Forces.

The TDP will initially secure 45 jobs and has the potential to create up to 250 jobs if the protection system demonstrated is subsequently deployed across the UK Armoured Vehicle fleet. The Icarus TDP is worth £10million to the UK economy.

Richard Hooper, Dragonfire Technical Demonstrator Programme Technical Lead at Dstl said:

By equipping land vehicles with a sustainable and effective active protection capability we will enable mission success to be achieved in ever-more challenging environments.

Ray Hopkins, Vice President Capability UK for Leonardo said:

The MIPS electronic architecture to be developed under the Icarus TDP will enhance survivability across the UK Land Armoured Vehicle fleet by allowing vehicles to be rapidly tailored to counter threats in specific operational scenarios. We look forward to working with Dstl, our team members, and APS equipment vendors to deliver a future operational advantage to the British Army that will both save lives and protect equipment.

[Press release: Change of British High Commissioner to New Zealand: Laura Clarke](#)

2015 to present Foreign & Commonwealth Office, Head, South Asia Department and India Co-ordinator 2012 to 2015 Pretoria, Counsellor (Politics, Prosperity and Communications) 2010 to 2011 Foreign & Commonwealth Office, Joint Head, Sudan Unit, Africa Directorate 2010 Foreign & Commonwealth Office, International Strategy Adviser on Yemen, Middle East and North Africa Directorate 2008 to 2010 Foreign & Commonwealth Office, Private Secretary to the Minister for Europe 2006 to 2008 Foreign & Commonwealth Office, Team

Leader, EU Justice and Home Affairs, Germany, Bulgaria and Romania, and UK Special Representative on Post-Holocaust Issues 2005 to 2006 Department for Constitutional Affairs (now Ministry of Justice), Senior Policy Adviser, Human Rights Division, EU and Council of Europe 2004 to 2005 Department for Constitutional Affairs, Policy Officer, Mental Capacity Bill team 2002 European Commission, Brussels, Trainee, Turkey Team, Directorate General – Enlargement