



Department
for Transport

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House of Commons
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From the Secretary of State
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Transport Select Committee

Following my appearance before the Transport Select Committee on 16 October 2017, I committed to providing a number of pieces of additional information. Please find my responses below.

Rail Electrification

Decision Making Rationale including Benefit Cost Ratios

In your letter you asked for the BCRs and associated present values. I have set out in **Annex A** the BCRs relating to the decisions I made on the Great Western, Midland Main Line and Oxenholme to Windermere routes. I have tried to set out where differences are down to differing assumptions and/or scope change.

While the Committee asked specifically about the benefits cost ratio (BCR) relating to these decisions, I am sure it will understand that, in all investment decisions, the BCR is just one of the factors I need to have regard to. Electrification and bi-mode operation are not mutually exclusive and our opportunities for more efficient deployments of rolling stock are greatly enhanced by their ability to work across the network.

Level of Electrified Track

The Committee asked for further information about the level of electrification that has and will be completed over recent years.

This Government has been clear that it is committed to electrification where it brings real benefits to passengers. As I explained to the committee while my decision has reduced the previous level of committed electrification, by around 300 route miles, this Government remains committed to a significant programme of upgrade work across the country, including electrification.

In the current investment period alone, we are investing over £40 billion in our rail network, including around £15 billion of upgrade works. This investment, the most significant modernisation since the Victorian times, includes the biggest upgrade of the Midland Main Line since it was completed in 1870 to deliver improved long distance passenger services between Sheffield, Nottingham and London, as well as a new dedicated commuter service between Corby, Kettering and London. The enhancement programme on Great Western is of unprecedented scale and challenge and will bring benefits to the people all along the route, including South Wales, reducing end to end journey times to London, increasing capacity on the network and introducing modern, more comfortable and more reliable trains. We are dramatically improving journeys for passengers across the north with the Great North Rail Project. By 2020, as a result of this ambitious and comprehensive upgrade, passengers will benefit from faster and more comfortable journeys, as well as new direct services across the north and beyond. This investment is before we even consider the commitment we have made to electrified, high-speed track as part of High Speed 2.

I think the committee will be interested to know that we'll be announcing further details on the new process for taking forward enhancements later in the year. I will make sure I write to you with further information before I publish this.

Modernisation of HM Coastguard

The Committee raised concerns about recent fishing vessel incidents and whether the modernisation of Her Majesty's Coastguard had impacted on decisions to launch rescue assets. I want to assure the Committee that international best practice for how Coastguards coordinate search and rescue has not been affected by the recent modernisation of the coastguard service. The changes to the Coastguard have made our search and rescue coordination arrangements more resilient and flexible. Workload and incidents continue to be managed locally, with input from local resources such as the RNLI when required, but a wider support network is now available nationally.

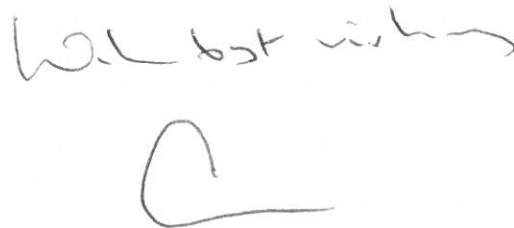
There is also more senior and experienced Coastguard Officer oversight of incidents at the earliest stage. In addition, improved training and better information systems and processes have been introduced, to mitigate the risk of any dilution in local knowledge. In relation to the specific loss of the fishing vessel SOLSTICE, the Marine Accident Investigation Branch (MAIB) will look

at all the circumstances and make any safety recommendations. If there are lessons to be learned, then we will learn them.

The Committee asked about the time between incident alerts and the tasking of a lifeboat. This would involve a review of around 22,000 records which could take the Maritime and Coastguard Agency up to four weeks to complete and would not provide a reliable measure of performance. Responses vary depending on whether the precise location and nature of an incident are known. Information gathering at the outset of an incident needs to be thorough and extensive enough to make best use of the right rescue asset for the task: a wrong decision can waste time and increase the risk to life. Significant effort is invested in post incident reviews and independent MAIB investigations to confirm that the right decisions and actions were taken and to allow any lessons to be learned. So far this year HM Coastguard have reviewed 21% of all incidents, significantly above its 5% target.

The Committee also asked for statistics on the reduction in staff numbers. I can confirm that there was a net reduction of 142 posts (25%) as a result of Coastguard changes.

John Hayes has offered a meeting of interested parties to explore these issues.

Handwritten signature in black ink, appearing to read "W. L. Grayling" with a stylized flourish at the end.

Rt Hon Chris Grayling MP

SECRETARY OF STATE FOR TRANSPORT

Annex A

Great Western

- The do minimum assumption for the full electrification (1) is no electrification and continued HST operation, with eventual replacement with HSTs
- The do minimum assumption for the incremental electrification of Cardiff to Swansea (2) assumes the operation of bi-mode trains in electric mode to Cardiff and diesel mode running elsewhere
- The difference between (1) and (2) provides an indicative BCR for electrification of London - Cardiff

	Full Electrification London to Swansea (1)	Incremental Electrification Cardiff to Swansea (2)	Electrification London to Cardiff (1) - (2)
Net Present Value £m 2010 present	293	-225	519
Benefit Cost Ratio	1.07	0.28	1.13

Midland Main Line

- All three scenarios take account of the assumed impact of HS2 Phase 2 on the Midland Main Line upgrade programme.
- The full Midland Main Line Programme (1) assumes the operation of electric multiple units along the route.
- The Midland Main Line Programme and Electrification to Corby (2) assumes the use of electric multiple units for Corby services and continuation of the existing fleet for Nottingham to Sheffield services.
- The difference between (1) and (2) provides an incremental BCR for electrification north of Kettering

	Midland Main Line Programme Capacity and Full Electrification (1)	Incremental Electrification north of Kettering (1)-(2)	Midland Main Line Programme Capacity and Electrification to Corby (2)
Net Present Value	209	-129	337

£m 2010 present values			
Benefit Cost Ratio	1.21	0.77	1.78

Oxenholme to Windermere

	Oxenholme to Windermere Electrification
Net Present Value £m 2010 price base	-18.7
Benefit Cost Ratio	0.55