CHRIS GRAYLING, TRANSPORT SECRETARY

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ANDREW MARR: The Sunday Times this morning describes it as a “savaging” essentially MPs have concluded the department of transport can’t properly run privatised rail systems so many British people rely on. And this comes after months of utter misery for Southern Rail commuters. One union involved has just settled, another, the RMT, most emphatically has not. Chris Grayling, the man in the hot seat joins me now.

ANDREW MARR: Chris Grayling, first of all this is a very important report by MPs and they have concluded that the Transport Department is not fit for purpose when it comes to the rail system. Are you going to look again at the way you handle franchises?

CHRIS GRAYLING: Well, let’s be clear first of all what the problem on our railways is. They’re bursting at the seams. The number of passengers had doubled. Trains are full. We’ve crammed as many trains as we can on to many lines. That’s the big challenge we’ve got to address. Now actually I agree with a lot of what’s in the report. It doesn’t quite paint the picture you just have done. It’s made a series of sensible recommendations about how to improve things many of which I’m already doing. If you take one example, they say there’s not enough coordination between Network Rail, of the infrastructure operator, the track operator and the train companies. I agree with that. Before Christmas I set out plans to start to reunite track and train step by step so that we have joined up teams running the railways and make a number of other sensible suggestions about how we can improve things, again some of which I’m already doing.

ANDREW MARR: Basically they say that as a department you’ve been too soft in regulating this. They say, and I’ll give you a quote: “There have been recent circumstances in which a
franchised operator might have been exposed to substantial risk – a substantial degree of financial risk, but the Department chose to insulate it. The ultimate financial risk remains with the tax payer.”

CHRIS GRAYLING: Well if you look at what’s happened and you’re talking about Southern Rail, the GTR franchise. The Department three years ago chose to adopt a very similar model to the one that’s in use in London which is that the operator is effectively on a management contract rather than exposed to financial risk. And the reason for that is because we’re currently putting a very large amount of money into modernising London Bridge station. It’s meant a huge amount of disruption over the last few years and the judgement of the Department at the time was that the price that we would pay to allow the private sectors carry the risk of disruption as a result of those works was greater than they wished to pay –

ANDREW MARR: I’m sorry. To a lot of people watching this must seem absolutely bonkers. The private company gets the profits and the tax payer, you and me and everybody watching this programme, takes the risk. And the result has been catastrophic on the railway.

CHRIS GRAYLING: Well, it’s an exceptional circumstance and it’s an exceptional circumstance because of the scale of modernisation on the Thames Link programme, probably the biggest infrastructure investment in our mainline railways for a very long time. Now we know it doesn’t happen elsewhere on the railway. Everywhere else on the railway people take the financial risk if they have a franchise, this was a special case.

ANDREW MARR: Can at least we say that this kind of contract will never be done again?
CHRIS GRAYLING: Well it’s interesting actually because there are those, like the Mayor of London who are arguing that’s precisely what we should be doing because that’s what he does. Actually I think the private sector should carry the risk and I want to see the private sector actually more involved in the infrastructure in the future so that we have that joined up nature between track and train. People don’t understand why somebody runs the tracks and somebody runs the trains. They want one team running the railways, planning for the future, planning to make things better and making sure that there’s one team dealing with problems when they happen.

ANDREW MARR: Because the tax payer was simply paying Govia who run Southern Rail no matter what happened on the railway system, no matter how badly they ran it they still got their profit and that removed any great pressure on them during this long strike. And some people believe that the reason this was done was because you wanted Govia, you wanted Southern Rail to break the unions because you were going to spread this single person rail system right across the UK.

CHRIS GRAYLING: No, that’s not right. It was done because of the London Bridge investment. And to be honest, if you’ve seen the management team at work in the last few months nobody would believe that they wanted this to happen and indeed the company’s been losing money, the company which is one of our biggest rail operators has been taking a huge hit reputationally in the last few months because of all the strike action. So I don’t think anybody could say anybody wanted this and I’m really pleased last week that the ASLEF dispute, they reached agreement. I hope that’s a way forward for the future and I very much hope now that the other union, the RMT, will come back to the table and will sort out an arrangement that looks after its own members, and my commitment to them and to everyone involved in this railway I don’t believe we need fewer people on the railways. They may do
slightly different jobs but a railway that's bursting at the seams in my view needs staffing, needs as many at least staff as it's got today and I see the railways growing and developing and needing more support for passengers in the future, not less.

ANDREW MARR: So when the RMT for instance says that you want not only a driver but particularly on long distance trains you need a guard as well – and I travel a lot on trains and you see disabled people, you see people struggling and they do need somebody from the railway system who is not driving the train to help look after them. You would agree with that? That’s not an unreasonable position to be taking.

CHRIS GRAYLING: I am absolutely of the view that we’re going to need as many staff in the future providing support to customers as we have today. Their jobs may change, the technology may change, but the customer service piece can't change.

ANDREW MARR: Can I turn to another big issue which is HS2. Now the former Chief Secretary to the Treasury, Lord McPherson has said that he thinks it’s running wildly over budget, it's simply too expensive. £90 billion could be spent much more effectively on other parts of the rail system or on the road system. Isn’t he right?

CHRIS GRAYLING: Well the thing about HS2, it’s that point. We have a rail system that’s bursting at the seams; we have to take a decision about what we want for the future. Do we want a rail system that can carry more passengers, that's got more capacity? HS2 is all about that. It doesn't just create faster journeys. Take one example, it will mean thousands more commuter seats into Euston station in a peak day morning rush hour, precisely because the express trains that take part of the track at the moment will be on HS2. The same is true in Birmingham, in Leeds, in Manchester, it’s about creating extra capacity. We can't deliver a
railway that’s fit for the future without that extra capacity. And if you’re going to build a new railway line why wouldn’t you build a state of the art one? Why wouldn’t you build one that’s going to be the best in the world?

ANDREW MARR: Well because a lot of people say it’s already out of date and further developments are being made all around the world. Let me ask you about London in particular. What hope can you give to all those people in north London who are terrified about the amount of pollution, the amount of disruption that’s going to be caused for 20 years. Bits of Camden are going to be wiped off the map.

CHRIS GRAYLING: Well, as I said last time I was on this programme Andrew, we are currently working through a plan that I think will ease that impact. I want to keep the impact to construction of HS2 as low as possible to all the communities affected up and down the route. You can’t build something on this scale without some impact, but we will do everything we can to minimise it.

ANDREW MARR: All right. Can I ask you about one other issue, again involving pollution and air quality. Not long ago we were all told the way forward was diesel cars. Now we know more and we know about the particulates put out by diesel cars and we know that they are very, very seriously affecting the health of a lot of people and we want to get rid of diesel cars. There is some talk of a scrappage scheme or the government getting involved to encourage fewer diesel cars quite quickly on the roads of Britain. Can you tell us anything about that?

CHRIS GRAYLING: Well there was a lot of talk last week, but the reality at the moment is this. We know we have to address the problem, there is a public health issue. Yes, we started with diesel cars because we thought they would reduce carbon emissions.
Now we recognise there’s a knock on effect. We need to work through exactly what the best strategy is to deal with this. It can’t happen overnight. It’s going to have to happen in an evolutionary way but it has to happen quite quickly.

ANDREW MARR: A scrappage scheme is possible or not possible?

CHRIS GRAYLING: Well there’s a number of options we’re looking at. My colleague, Andrea Leadsom, in the Dept of the Environment is working through an air quality strategy which we’ll publish in due course, but we recognise we have to do this. We recognise we need cleaner air in our cities, it’s not something we can ignore.

ANDREW MARR: Okay. Now there’s so much to talk about on Brexit I just want to pick one particular issue which your colleague Anna Soubry was talking about a lot of MPs are engaged in. Isn’t it right that at the end of this process, no matter what happens, whether we get a deal or we don’t get a deal, the House of Commons which is supposed to be sovereign gets a proper vote?

CHRIS GRAYLING: Well of course Theresa May has already promised that there will be a vote at the end of it, but of course the legal position is that if there is not a deal then we leave. So the reality is we are going to go into a negotiation with a view to delivering, to negotiating a deal that’s good for all of us.

ANDREW MARR: But if there isn’t a deal shouldn’t there be a vote about what happens next because that is a vast issue for the entire country. It’s going to affect everybody in this country at that moment. The House of Commons ought to have a say and we ought to have a proper vote on that, surely?

CHRIS GRAYLING: Well look, the House of Commons voted overwhelmingly for a referendum. We had the referendum. The people of this country gave us a view, we’re following that
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through. Parliament voted last week overwhelmingly again to pass Article 50, to enact Article 50. We go into the negotiations in the full expectation that a sensible deal will be agreed which works for both sides. We’re their biggest customer, we are crucial to the European industries, I’m absolutely confident Theresa May will deliver a good deal.

ANDREW MARR: But if that doesn’t happen parliamentary sovereignty hasn’t been suspended because of the Brexit referendum, parliamentary sovereignty still matters, surely parliament should get a vote, come what may at the end of this process. Come what may?

CHRIS GRAYLING: Theresa May is committed to having a vote on that deal.

ANDREW MARR: On the deal, but not if there isn’t a deal.

CHRIS GRAYLING: Well, I’m very optimistic, I’m confident we’ll get a deal. I don’t think anybody on either side is approaching these talks in the expectation there won’t be sensible arrangements for the future. If you listen to what European leaders are saying it’s in all of our interests that that’s the case.

ANDREW MARR: All right. You’ve said in the course of this interview that you don’t want to see fewer people working on the railways in the future. A final plea to the RMT before we wrap up.

CHRIS GRAYLING: Well I hope that they will come back to the table and they and their workers will return to normal. This is all about delivering quality for the passenger. It’s a modern rail we want with the technologies that improve things for the passengers, but I am not in this job to slash the number of people on our railways. We need good customer service and their members will be part of that.
ANDREW MARR: And in the same spirit to message to Southern, is it time to do the deal with the RMT at last?

CHRIS GRAYLING: Well I hope both sides will be. I’m very grateful to the Southern team, to the ASLEF team for the talks that led to a deal and to the TUC for helping secure that deal. Now we need the same with the RMT and a railway that’s back to normal.

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