



DEBATE PACK

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The Chris Gibb Report: Improvement to Southern Railway

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Summary

This general debate will take place in the Commons Chamber on 4 July 2017.

On 22 June the Government published the report by Chris Gibb, a non-executive director at Network Rail and former chief operating officer of Virgin Rail Group, into the performance of the Southern Rail part of the wider Thameslink, Southern and Great Northern (TSGN) rail franchise, and advice on how to deliver improvements.

Mr Gibb was appointed by the Secretary of State, Chris Grayling, on 1 September 2016.

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1. Southern Rail: overview

Southern is not a franchise. It used to be, until it was folded into the bigger Thameslink, Southern and Great Northern (TSGN) franchise in 2015 along with Thameslink and Great Northern and Gatwick Express. When all the services have been incorporated in 2018, the combined franchise will be the [biggest franchise](#) that has ever been let: it will have the largest income, the most trains and the most staff of any franchise in the GB rail market.

TSGN is run by Govia Thameslink Railways (GTR), Govia being a joint venture between Go-Ahead Group plc and Keolis (the latter majority owned by the French state rail operator SNCF). The franchise began operation in September 2014 and will terminate in September 2021 (though the Government can extend the franchise for a further 26 reporting periods – a little over 2 years). The [re-letting process](#) for TSGN, at which any decision about the break-up of the franchise and any possible devolution of some of its services to the Mayor of London would likely be taken, begins towards the end of 2019.

In 2015/16 Southern [paid](#) a premium to the Treasury of £95.7 million, equating to a subsidy of -6.2 pence per passenger km.

The National Franchise Terms that apply to this franchise, the Franchise Agreement and associated ancillary documents are available on the [Gov.uk website](#).

A [list of the commitments](#) the franchisee promised to deliver was set out when the franchise was awarded in 2014.

Many of the benefits from the new franchise will not be realised until the introduction of new Thameslink [rolling stock](#) and completion of the Thameslink [infrastructure project](#) in 2018.

In September 2016 GTR launched an [extensive consultation](#) setting out proposed changes to the timetable in 2018 following completion of the Thameslink Programme; [further information](#) was published on 28 June 2017.

2. Problems and performance issues with the franchise, 2015-17

The level of service for many passengers on the TSGN franchise, particularly the troubled Southern brand, has been poor for two years. As the [Transport Select Committee](#) noted, “the initial structuring of the franchise, inadequate planning, weaknesses in the franchise handover process, infrastructure and rolling stock failures, mismanagement, poor industrial relations and the current bitter and prolonged industrial dispute have all contributed to an unacceptable level of service for TSGN’s long-suffering passengers”.

In particular the Committee highlighted the negative impacts of:

- the major infrastructure works entailed in the Thameslink Programme, particularly the redevelopment of London Bridge station;
- inadequate staffing at franchise handover; and
- ongoing strike action over a number of issues, including ‘Driver Only Operation’ of trains.

The Committee told the Government to ‘get a grip’ on the monitoring and enforcement of the franchise, speed up its assessment of the franchisee’s *force majeure* claims, and “be prepared to restructure or terminate the agreement should GTR be shown to be in default”.

It also criticised a lack of transparency as regards performance data and said that the DfT must ensure that data on the franchisee’s performance against its contractual obligations are made publicly available.

In July 2015 the DfT issued notice that GTR had breached contractual benchmarks for cancellations on all parts of its network other than Great Northern. The causes of this were identified in a [Remedial Plan](#), agreed between GTR and the DfT and published in February 2016.

The [most recent performance data](#) for Southern is available on the website.

3. £20 funding support

On 1 September 2016 the Secretary of State, Chris Grayling, [announced a £20 million fund](#) to tackle poor performance on Southern. Further, Chris Gibb would head a new project board, working with GTR, the DfT and Network Rail, to “explore how to achieve a rapid improvement to services for the public”. The board would oversee the fund.

Mr Grayling said that the fund would “tackle problems on the line placing more rapid response teams on the franchise, accelerating the replacement of worn track, and hiring extra staff at key stations including East Croydon and Gatwick to make sure trains get away on time”.

Additional benefits would include:

- £2 million to be spent on more rapid response teams to fix faults more quickly, located close to known hotspots
- £2.5 million to be spent on accelerated train maintenance
- £0.8 million investment in extra signal supervisors to keep trains moving across the network
- £0.9 million investment in a series of measures to minimise the impact of bridge strikes

On 5 September the Rail Minister, Paul Maynard, [said that](#) the project board headed by Chris Gibb (whose salary would be paid by GTR and therefore not come out of the £20 million) would present its plan “in the autumn” and actions would be implemented “as soon as possible”.

In the House on 12 September the Minister said that the £20 million would help to replace equipment likely to fail and renew the “most problematic” stretches of track; double the number of rapid response teams to solve problems and increase staff on the busiest platforms, including Gatwick. [[c740](#)]

4. The Gibb Report, June 2017

Chris Gibb's report into Southern ([Changes to improve the performance of the Southern network and train services, and restore passenger confidence](#)) was published on 22 June 2017. The report was dated 30 December 2016 but was not published until the Government had prepared a response – 6 months later, with an intervening General Election.

The report is 163 pages long, the bulk of which are appendices. It concluded that Southern performance "can and will improve as my recommendations are implemented, and passengers will begin to notice improvement as soon as the current industrial relations issues are resolved. The 2018 Thameslink timetable can be successfully implemented, but there remains plenty for the industry to do over the next eighteen months. The result will be an unprecedented improvement in rail services across South East England, to and from Central London, across London and connecting the airports at Gatwick and Luton".

In summary, the report's recommendations were as follows:

- That there be a **'System Operator'** to act as a custodian of the overall system integrity. Gibb argued that while it is not necessary for the entire system has to be owned or controlled by a single party to make it work properly, teamwork across the system is "absolutely critical". He noted that this sort of role is being implemented by Network Rail, on a Route led basis, and that in the Southern / GTR area "this role is being led by the Alliance Board and, from January, 2017, supported by the Thameslink 2018 Industry Readiness Board, that you have asked me to independently chair".
- That "at least £300m must be spent before the end of 2018" to **improve current performance and deliver the new 2018 Thameslink timetable** with an acceptable level of performance. This level of maintenance must then be maintained into CP6 from 2019 "to continue to improve the asset condition, and reach a steady state where maintenance can settle at a level needed to sustainably support a good level of performance". The Government will set out its plans for Control Period 6 (CP6) in summer 2017 in the High Level Operating Statement (HLOS). Gibb further stated that if these funds cannot be identified, then by January 2017 "a decision must be taken by the DfT to reduce the Thameslink 2018 specification to a level that the existing system reliability can support".
- The entire **objectives, incentives and performance framework** needs to be revised so that more can be achieved with "more effective, shared and widely understood objectives". Gibb commissioned independent work from LEK Consulting, set out in Appendix 7. He recommends this to the Government.
- There needs to be a number of changes to **GTR's current franchise agreement**, set out in the redacted Appendix 9. More generally, Gibb warns that termination of the franchise could put the major change programmes (e.g. Thameslink) at risk of further

delay and states that if the Government comes to the view that the Thameslink Programme is no longer affordable it needs to decide quickly so that the future timetable can be re-planned accordingly.

- On **stations** he stated he is satisfied with most of the proposals, but highlighted some specific concerns. For example, at **Gatwick** he suggests a fix for overcrowding caused by narrow platforms and a more radical proposal to resolve both the short term and long term funding issues by Network Rail selling Gatwick Airport station's freehold to the airport itself (in effect its owners). On **station shelters** he recommends that a budget of about £400,000 is made available in 2017/8 for 12 stations on the Brighton Main Line, where 12 car trains are increasingly the normal train, and where sub threshold delay is an issue. There should also be a single leader at Victoria and London Bridge stations respectively, accountable to the GTR and South Eastern Alliance Boards for the delivery of their objectives.
- Some **little used stations** have too many services (Gibb names Newhaven Harbour, Normans Bay, Warnham, Southease, Ashurst, Bishopstone and Amberley). DfT should immediately review the demand at these stations jointly with GTR and change GTR's contractual obligations. Detailed proposals should form part of the next round of 2018 timetable consultation.
- As regards, **devolution and transfers between franchises**, the transfer of the East Croydon to Milton Keynes service to London Overground/TfL, the electrification of the Uckfield route and the transfer of the Ashford to Hastings route to the next SouthEastern franchise.
- That a revision to the **overnight timetable** be made to take immediate effect. This would "enable a production line approach to overnight maintenance to begin immediately on the Brighton Main Line".
- A **closure for two weeks** of the route between Horsham and Three Bridges, with passengers and trains diverted via Dorking, Epsom and Balham during Summer 2017 (avoiding the period of the Waterloo closures in August). At the same time there should be a closure of two tracks between Three Bridges and Earlswood, closure of Horley, Salfords and Earlswood stations, and a reduction in service. GTR's local service between Horsham and Epsom would need to be reduced to provide paths and crews for diverted Arun Valley trains. These two weeks "would allow for an intensive and productive period of infrastructure maintenance, on these sections, that are notable for their poor condition".
- As regards **rolling stock**, the withdrawal of the few remaining [Class 442 units](#) as soon as possible and the transfer third rail only [Class 377/1s](#) to SouthEastern, "as the dual voltage units are most usefully retained on the GTR network". In the longer term Gibb recommended replacement of the Southern Metro Class 455 fleet by the next franchisee in 2023. He made further specific recommendations related to rolling stock serving Cambridge, Bedford, North Kent and Ashford. He also recommended that a new depot would be required after 2028 if Brighton Main Line improvements went ahead.
- Gibb made a number of specific recommendations regarding the **Driver Depot & Headcount Strategy**, including that agreement

between DfT and GTR concerning the proposed manpower plan be urgently reached and that Southern should change its current strategy to recruit drivers at the existing depots and introduce a number of smaller depots, and recruit there instead.

- **Train dispatch** from Victoria and London Bridge, Brighton should be improved by further research, and a manager is now doing a “lean review” of the process, which engages with the staff doing the dispatch, signallers and drivers at these stations. New equipment will also enable staff to be more flexible and responsive to passengers on platforms and dispatch team involvement in the platform planning process will result in better platform utilisation, e.g. for narrow platforms.
- There are **too many lightly-loaded off-peak services** on the GTR network. For the immediate future there needs to be a “firebreak” in the current timetable between 1200 and 1400 that enables the system to recover fully for the evening peak. This should mean that every train has at least a 30 minute break in its operation, and is parked, even if this means every route having at least one service missing from its hourly clockface pattern. However, Gibb notes that there is a “risk” that if a “firebreak” is created an Open Access Operator will apply to run in the vacated paths, which “would defeat the whole purpose of having a gap in the service”. To this end, he recommends that Network Rail should have greater and more effective powers to protect “firebreaks” and other robust timetable features, such as platform capacity, “in the interests of protecting the overall existing system integrity”. It is unclear whether this could be done under the current regulatory framework or whether legislation would be required.
- In terms of delivering the **timetable, signalling and operations**, lessons must be learnt by GTR when considering transferring the responsibilities of Kings Cross (GN) Control to Three Bridges ROC, which Gibb considers “to be of higher risk than the changes made to date”. In order to be effective, Network Rail and Hitachi, the supplier of Traffic Management (an advisory system for most of the network, predicting the consequences of a range of signaller’s choices and recommending the best option) must engage with the operators as soon as possible to develop the logic that TM uses satisfy everyone as far as possible. Gibb emphasises that “we desperately need TM to work well for the overall success of the system: there is no alternative option”.
- GTR and NR must jointly implement their strategy for **suicide prevention** as quickly as possible, working closely with British Transport Police and the Samaritans.
- There is an “increasing and ever present risk” of speed restrictions at **level crossings** of any type, prompted by changes in use, risk reviews and accident recommendations. To mitigate this risk there should be an acceleration of Network Rail’s level crossing closure plans on the future Thameslink network. The process and accountability for level crossing closures needs to be modernised, by adopting the [2013 recommendations of the Law Commission](#).

Finally, perhaps the key paragraph of the published report, quoted in full below, relates to the **ongoing industrial dispute**:

Of course any decision relating to franchise termination should also take into account the current DOO related dispute with RMT and ASLE&F. Whilst you are already determining the strategic direction of this dispute, the introduction of a state owned and governed operator would mean that every aspect of the dispute would fall under the direction of the Secretary of State. Current state owned and governed rail companies do not have a track record of rapid decision making and devolved negotiating powers. Given the implications of any decision for other TOCs such as Northern, Anglia and London Midland, the industry would be within a whisker of national bargaining on DOO and other matters. In my view this would inevitably lead to national pay bargaining, and significantly strengthen the negotiating influence of RMT and ASLE&F. This is why they constantly seek national discussions on numerous subjects. There is a risk of "roll back" on DOO; for example the introduction of OBS style employees on large operations that have historically only had drivers, such as Thameslink, Great Northern, Chiltern etc., and there may also be implications for London Underground, which is all DOO. In a steady state TOC this is less of an issue, as "do nothing" keeps the trains running. In GTR "do nothing" is not an option, so negotiations must be entered into.

5. Responses to the report

The **Secretary of State** [said](#) that the report was a “detailed, considered account of the problems the network experienced last year, and his assessment of the best means of addressing these factors now and for the future”. He stated that work was “already underway to deliver on the recommendations of the report”, including £300 million for Network Rail to improve rail infrastructure and resilience along the Southern and Thameslink rail network.

MPs have tabled a number of [written questions](#) following up on the report, for example the Shadow Transport Spokesman Andy McDonald has asked about how the Government plans to ensure ‘system integrity’ going forward and the Green MP Caroline Lucas has asked about the portions of the report which have been redacted.

The **General Secretary of the RMT, Mick Cash**, [said](#) that the report had been ‘sliced and filleted’ “into a document that [the DfT] can spin up as an attack on the unions and the staff [...] It's a shame Mr Gibb never bothered to talk to the unions and the staff and has allowed himself to be used by the Government as a human shield over the Southern Rail fiasco”.

6. Further reading

Parliamentary questions, statements and exchanges about the work of Chris Gibb [can be found here](#).

DfT, [Southern Rail network: Gibb report](#), 22 June 2017 and the [Government response](#)

Transport Select Committee, [Rail franchising](#) (Ninth Report of Session 2016–17), HC 66, 5 February 2017 and the [Government response](#)

Transport Select Committee, [The future of rail: Improving the rail passenger experience](#) (Sixth Report of Session 2016–17), HC 64, 14 October 2016 and the [Government response](#)

["Southern Rail is resuming full service – but how did the company's industrial relations get so bad?"](#), *CityMetric*, 18 January 2017

["Southern: Labour calls for inquiry into 'murky world' of rail franchising"](#), *The Guardian*, 11 January 2017

Network Rail, ["Major funding for Southern and Thameslink rail improvement works"](#), 10 January 2017

Office of Rail and Road, [Statement on GTR-Southern's Driver Only Operation](#), 5 January 2017

DfT, ["Southern Rail: Transport Secretary message to passengers"](#), 12 December 2016

RMT, [Southern Rail Dispute: the facts](#), 1 December 2016

DfT, ["Package of measures announced to help improve resilience of Southern network"](#), 1 September 2016

DfT, [Govia Thameslink Railway: Remedial Plan](#), 12 February 2016

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