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Transport



DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

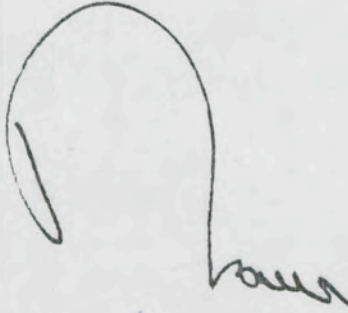
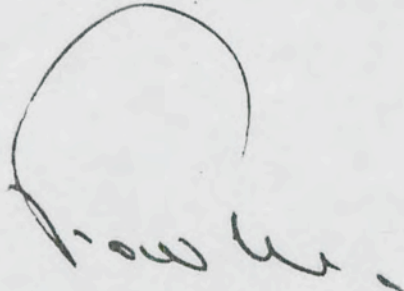
J R Ibbs Esq.
Cabinet Office
70 Whitehall
LONDON
SW1

28 April 1981

Yes Mr Ibbs

Thank you for your letter of 16 April enclosing a copy of the specification which has been drawn up for the study of British Rail's commercial businesses. I am quite content with this specification, but I must ask that the study is completed by the end of May. I am going to come under increasing pressure to make clear the Government's position on electrification. My officials will be ready to give CPRS every assistance they can offer so that the May deadline can be met. I would also like to confirm that the review is to be internal to Government - in other words that the CPRS are not going to approach British Rail.

I am sending a copy of this letter to the Prime Minister, the Chief Secretary, Sir Robert Armstrong and Professor Walters.

Yes Mr  

NORMAN FOWLER

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[Faint, illegible handwritten text]

28 APR 1981

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S. A. Duguid
Transport



DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

J R Ibbs Esq
Cabinet Office
70 Whitehall
LONDON SW1A 2AS

10 May 1981

RMS

Dear Mr Ibbs

Thank you for your letter of 29 April about the CPRS review of British Rail's commercial businesses. The pressures on me to make clear the Government's position on electrification will build up very rapidly in the coming weeks. But I accept that there is a lot of ground to cover and will fall in with your suggested timetable of completion by early June. I understand that reasonable progress is being made.

I am sending a copy of this letter to the Prime Minister, the Chief Secretary, Sir Robert Armstrong and Professor Walters.

Norman Fowler

NORMAN FOWLER

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12 MAY 1984



cf AD

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CABINET OFFICE
Central Policy Review Staff

70 Whitehall, London SW1A 2AS Telephone 01-233 7765

From: J. R. Ibbs

Qa 05339

1 May 1981

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Dear Chief Secretary,

BRITISH RAIL: CPRS STUDY

Thank you for your letter of 27 April. You ask that, in our study, we should look at possible changes in the level of output. We recognise that this is an important aspect and it will be included (both under the heading of 'business changes' in cii and also 'options' in d of our specification).

I shall be pleased to keep the Treasury informed and understand that my officials have already been in touch with yours.

I am sending a copy of this letter to the recipients of yours.

yours sincerely,

J R Ibbs

The Rt Hon Leon Brittan QC MP
H M Treasury
SW1

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CABINET OFFICE
Central Policy Review Staff

70 Whitehall, London SW1A 2AS Telephone 01-233 7765

From: J. R. Ibbs

Qa 05336
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29 April 1981

Dear Secretary of State,

Thank you for your letter dated 28 April.

Our study of British Rail's commercial businesses has already started. We have had initial meetings with your officials and have commissioned help from consultants. We have drawn up plans for the study on an extremely tight timetable which depends on extensive and rapid assistance from your Department. The questions we are investigating are complex and the minimum time needed if we are to come up with worthwhile conclusions that are reasonably soundly based is 6 weeks. This means we should be able to report in early June. I realise that this does not meet your request but I cannot, in good faith, offer an earlier completion date. However, as we shall be working closely with your officials you should obtain an early indication of the general direction of our findings as the study proceeds.

I confirm that we shall not make a direct approach to British Rail but shall rely on your officials to obtain any information that is needed which is not already available in your Department.

I am sending a copy of this letter to the Prime Minister, the Chief Secretary, Sir Robert Armstrong and Professor Walters.

Yours sincerely,

J R Ibbs

The Rt Hon Norman Fowler MP
Department of Transport
2 Marsham Street
S W 1

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29 APR 1987



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Treasury Chambers, Parliament Street, SW1P 3AG

J R Ibbs Esq
Central Policy Review Staff
Cabinet Office
70 Whitehall
London SW1

27 April 1981

R. Robin

R

BRITISH RAIL: STUDY OF COMMERCIAL BUSINESS IN RELATION
TO PROPOSALS FOR ELECTRIFICATION

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Thank you for sending me a copy of your letter of 16 April to Norman Fowler. The outline of your proposed study seems well suited to meet the concerns expressed in our discussions in E. There is one point, however, which I would like to be sure it is intended to cover in the work you described. - This concerns the level of output of the railways. In examining ways in which the commercial businesses might achieve viability in the foreseeable future, I hope the effects of quite major changes in output - that is, service frequencies and speed - will be fully considered. The appropriate level of output will, of course, also arise in the event that the study suggests a redefinition of the "commercial" sector.

Perhaps you could ensure that my officials are kept in touch with the study. It would be useful if they could receive papers and be given an opportunity to comment on the main issues involved.

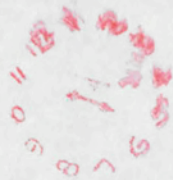
I am copying this letter to the Prime Minister, members of E Committee, Norman Fowler, Sir Robert Armstrong and Professor Walters.

Len

LEON BRITTAN

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77 APR 1961





CABINET OFFICE
Central Policy Review Staff

70 Whitehall, London SW1A 2AS Telephone 01-233 7765

From: J. R. Ibbs

Qa 05327
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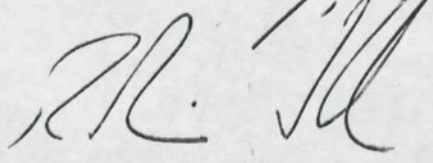
16 April 1981

Dear Secretary of State,

British Rail Study of Commercial Business in Relation
to Proposals for Electrification

Following the remit given to the CPRS at E Committee, I enclose a copy of the specification that has been drawn up for the study of the British Rail commercial business. This has been discussed with your officials. Because of our present work load, we intend to employ outside consultants to assist with appropriate parts of the study and we shall aim to report as soon as we can,

I am sending a copy of this letter to the Prime Minister, other members of E Committee, Sir Robert Armstrong and Professor Walters.

Yours sincerely,


J R Ibbs

The Rt Hon Norman Fowler MP
Department of Transport
2 Marsham Street
S W 1

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BRITISH RAIL

CPRS ELECTRIFICATION AND COMMERCIAL BUSINESSES INVESTIGATION

The CPRS has been invited by the Secretary of State for Transport to examine 'the prospect of the commercial business ... in relation to the electrification report'. The following is an outline specification:-

(a) To define the boundaries of the 'commercial businesses' of BR in terms of eg:

- (i) Inter-City passenger
- (ii) freight and parcels

and to establish variable and shared cost and revenue structures, and as far as practical and helpful breaking down passenger flows into routes or groups of routes.

(b) To establish a basis for assessing 'commercial viability' of the 'commercial' businesses, eg contribution to joint cost/profit/rate of return etc.

(c) To determine the extent to which the 'commercial businesses' (as defined) meet the defined viability criteria

- (i) now
- (ii) in the foreseeable future - either in whole or part and based on traffic, fare and cost change forecasts, and business changes, including efficiency improvements.

(d) To establish options available if the businesses fail to meet the defined viability criteria, eg redefine the 'commercial' sector.

(e) To establish to what extent the benefits from electrification, as well as giving an adequate rate of return to the incremental investment, improve the financial performance of the commercial businesses. How would the changes analysed above affect the benefits arising from additional electrification?