

Rail Delivery Group

Response to:

Welsh Government

Setting the Direction for Wales and the Borders Rail

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Rail Delivery Group Response: Setting the Direction for Wales and the Borders Rail

Organisation: Rail Delivery Group

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Business representative organisation

1. Introduction

The Rail Delivery Group (RDG) was established in May 2011. Its purpose is to enable Network Rail and train and freight operating companies to succeed by delivering better services for their customers. This ultimately benefits taxpayers and the economy.

The RDG works with governments to promote the most effective way of delivering passengers services that meet user and stakeholder expectations. The RDG, particularly through the Franchise Strategy Group, is working to advise the DfT and other franchising authorities on how best value and effective customer-driven outcomes are taken forward.

2. Overview

The RDG welcomes the opportunity to respond to consultation document issued by the Welsh Government (WG) – Setting the Direction for Wales and the Borders Rail. We want to assist the WG in realising its ambitions for rail over the next 15 years and we have a number of comments.

3. Key issues and risks

In addition to the specific questions posed in the consultation RDG wishes to highlight two issues which should be considered by the WG when it is acting as the franchising authority for train services in Wales.

- **Bid Costs** – Bidding for rail franchise contracts has become increasingly expensive. Despite the page count limit the number and complexity of delivery plans and the associated operational and financial models requires significant resources. We suggest that the Authority minimises the number of delivery plans and simplifies as far as possible the modelling requirements. This will ensure that potential bidders are not deterred from joining the competition and so deliver best value for the authority.
- **Bidding Programme** – Although RDG understands no final decisions have been made on the timetable for bidding we would encourage the WG to ensure that the market can absorb the workload and run the competition in line with the DfT Franchising Schedule.

4. Detailed response to questions posed in consultation

In this section we have answered the specific questions posed and where necessary have referenced back to our earlier comments.

Question 1: Do you agree with the Welsh Government's high level outcomes for rail in the Wales and Borders area? Are there any others we should consider?

The high level outcomes focus on many of the key issues but economic benefits will be maximised if the WG ensures that transport improvements are targeted at the areas where there is most benefit. Improvements should be targeted at routes where increased revenue can significantly contribute to the investment to ensure that they can be sustainably delivered within the funding envelope to deliver best value for money.

Question 2: Do you agree with the top 5 priorities improvements for rail passengers identified by Transport Focus? How would you rank these priorities? If you do not agree, are there others that should take precedence?

RDG recognise the priorities identified by Transport Focus and would expect the WG to require operators to deliver high standards of customer satisfaction. RDG has developed an approach based on an assessment of the end-to-end customer journey that is underpinned by customer insight to identify the key moments in a journey and how to deliver improved customer satisfaction. The industry continues to improve the quality of passenger information, particularly during disruption.

Question 3: Are there changes to the range and frequency of services currently operated, as set out at Annex A that you would consider necessary?

RDG believe that changes should focus on the need to achieve a balance between revenue and costs in order to support the business case. Service improvements should be targeted at developing key markets which will support economic growth while meeting minimum level of services required by the WG.

Question 4: Are there destinations outside of Wales that should be considered for inclusion in the next Wales and Borders franchise?

Any additional destinations should be complementary to existing cross border services and support economic growth. It is important not to add significant costs by abstracting revenue from other franchise services.

Question 5: Can better use be made of existing train capacity? What is an acceptable limit for standing times on rail journeys?

Specifiers have to take a view based on the length of journey and the cost of providing capacity for peak hours. Use can be made of PDFH to analyse the impact of crowding and predict how passenger behaviour will adjust if additional capacity is added to a route. The modal shift impact can also be assessed in towns and cities where commuters have alternative means of travelling to work.

Question 6: What standards for performance should the Welsh Government consider setting when awarding a franchise for rail services?

Operators will meet the standards demanded and expect to be held to account for delivery. There will always be trade-offs and a requirement for higher standards may add cost which is not balanced by an increase in revenue. The industry continues to work on improving the metrics used to measure performance of train services and the WG could consider incorporating this work into the franchise specification.

Question 7: How could arrangements for dealing with disruption be improved upon and how should these be prioritised?

The rail industry continues to develop policies and procedures for Passenger Information During Disruption (PIDD). We expect this franchise to continue to build on this and incorporate best practice into its processes.

Question 8: How should the cost improvements in service provision be met? Will the Welsh Government's approach provide the best value for money for passengers?

There are limited alternative revenue streams for the Welsh franchise outside ticket sales and subsidy. Best value will be obtained by ensuring investment is focused on delivering increased revenue and passenger satisfaction.

Question 9: Would you prefer to not use a paper-based ticket and, if so, what ticket type would you like to have available?

Over the past year, the RDG has worked with its members and other industry stakeholders to develop a vision for ticketing that meets customer needs, is cost effective and capable of supporting the types of fares and products the market needs. We believe that the time has come to plan the retirement of the 'tangerine ticket'. We should not underestimate the impact on customers of this change, and the need to manage this in a controlled and effective manner, whilst ensuring the suitability of new solutions to their needs. There is almost certainly not one universal replacement, but we should avoid a plethora of incompatible and confusing alternatives which will cause unnecessary cost and confusion.

Question 10: How important to you is the availability of a combined ticket for public transport in Wales? Do you have examples of good practice?

As for Question 9

Question 11: Are there other quality characteristics you would wish to see? How would you prioritise the quality characteristics for the Wales and Borders franchise?

What additional quality improvements to rolling stock should the Welsh Government prioritise for

- Commuter routes?
- Rural routes?
- Long distance routes?

The best value will be secured by providing flexibility for bidders to secure rolling stock which meets the requiring of the ITT. If the WG is prescriptive it is likely to deter innovative solutions being incorporated.

Question 12: Do you think the catering provision available in the current franchise is adequate for longer journeys? If not, how should the Welsh Government consider influencing changes to catering services available at stations and on trains?

Operators should be able to set the level of catering dependent on revenue generated, unless the tender document sets out a higher level which is likely to require subsidy. Use of revenue modelling techniques such as PDFH will offer limited additional benefit from higher quality catering and bidders should be able to use their judgement to adjust the provision within their overall offer based on customer feedback.

Question 13: Which station facilities do you consider to be most in need of improvement and where?

A dedicated working group was set up by RDG and it has developed a vision for stations as follows.

Our vision is for Britain's stations to be places which are inclusive and welcoming, and which encourage everyone to travel by rail. This vision will be enabled by those working at the station, by the innovative use of technology, and by the involvement of the communities which stations serve.

The full document can be viewed at:

<http://www.raildeliverygroup.com/component/arkhive/?task=file.download&id=718> and it provides an industry view on facilities and development.

Question 14: Where would you like to see investment in station buildings and how might the Welsh Government encourage this?

As for Question 13

Question 15: What information should the Welsh Government consider requiring an operator to publish as a priority, and in what format(s)?

RDG has worked on improving transparency across the rail industry with the aim of building greater trust with customers, stakeholders and funders. We are putting more and more data about the industry's operational and financial performance into the public domain. We would expect the WG to require an operator to support disclosure where it is practicable and cost effective.

Question 16: Are there any additional requirements in respect of the Welsh language that the Welsh Government should consider in relation to train operating companies and the services they provide?

RDG recognises the absolute importance of providing services to customers in the Welsh language and understands the likelihood that service delivery standards might be applied by the Welsh Language Commissioner in this regard. We would therefore expect that the ITT is clear on the obligations to provide services in the Welsh language whilst recognising that some legacy customer information systems (including those on train) and industry retailing systems could be disproportionately expensive to modify or replace.

Question 17: What should the Welsh Government consider doing to strengthen community rail activity?

RDG members are supporters of community rail activity. We broadly support the aims and objectives of the Association of Community Rail Partnerships (ACoRP) and the train operator selected by the WG is likely to expect to make a contribution to community rail in Wales.

Question 18: Which organisations should the Welsh Government consider requiring the Wales and Borders franchise operator to co-operate with, and in what ways?

Operators should be expected to have a stakeholder engagement plan which is integrated and involves regular meetings at the appropriate level. We would expect this to include an annual meeting for local user groups and interested parties.

Question 19: What can the operator of the Wales and Borders franchise do to order improve safety and security, and the perception of safety and security?

Operators will have individual innovative ideas for passenger security and will recognise the importance of perception. Improved staff visibility and effective deployment of CCTV (including monitoring in real time) will help to improve passenger's sense of security. Overall safety and security policy is set by regulators and the operator will have to comply with national standards.

Question 20: Are there other matters in respect of sustainable development which it will be important for the Wales and Borders franchise operator to be required or encouraged to focus on?

The RSSB publication on the Rail Industry Sustainable Principles can be found at <http://www.rssb.co.uk/Library/improving-industry-performance/2009-report-rail-industry-sustainable-development-principles.pdf> and we would expect them to be applied by all rail organisations within Wales. Recent work on carbon and cost reduction is at: <http://www.rssb.co.uk/Library/improving-industry-performance/2013-12-report-meeting-rails-carbon-ambition.pdf>. It covers Control Period 5 and sets out how to meet the ambition of carbon and cost reductions in the Industry Strategic Business Plan. We would suggest the WG use this to inform their own plans.

Question 21: What steps should the Welsh Government consider taking as part of the next rail franchise to eliminate unlawful discrimination, harassment and victimisation on our railways?

Operators must comply with all the relevant legislation and recognises that staff satisfaction is essential to deliver outstanding customer satisfaction.

For enquiries regarding this consultation response, please contact:

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