# The Rail Value for Money Study

# A Passenger Perspective: Comments by Passenger Focus

## 1. Introduction

Sir Roy McNulty's report on value for money in the rail sector (May 2011) contained a number of far-reaching conclusions for the rail industry and for passengers. Central to the report was a need to achieve a 30% reduction in unit cost by 2018-19 – representing a saving of around £1billion.

Passenger Focus[1] is the independent body representing the interests of rail passengers in Great Britain. We believe it is essential that the 'post-McNulty' debate does not get lost in a narrow assessment of cost. Efficiency and cost are important - they clearly have a direct impact on the range of service offered to passengers and the fares charged - but cost savings must also be set alongside the value of rail to the economy and the country as a whole. Rail enables people to get to work, especially in London, acts as a catalyst of economic activity, and, just as importantly, is an environmentally friendly mode of travel. Demand for rail has soared in the last 15 years – with passenger numbers now being at levels last seen during the 1920s. If this growth is to be sustained then it will be essential that the benefits of rail are taken into account in any debate as well as the cost of provision.

This paper looks at the McNulty report from a passengers' perspective and sets out some of the potential implications arising from the report's main recommendations.

## 2. The recommendations

The Rail Value for Money report identified a number of barriers to efficiency and made a series of recommendations designed to reduce costs. These were grouped under two main themes: changes designed to create the right environment, and those designed to save money.

### *2.1 Changes to create an enabling environment*

Recommendations under this heading are seen as the principal catalysts for change, and need to be in place to enable delivery of the main savings from other areas.

**1. Leadership from the top**

- Government to focus primarily on setting the overall vision for the industry, the direction of rail policy, the objectives for the industry, the level of funding available, and leading on franchising procurement
- The industry to accept greater responsibility for strategic planning and the delivery of outcomes in line with Government's policies and objectives, particularly on cost reduction.

[1] Passenger Focus is the operating name of the Passengers' Council

*Passenger views*
At the time of the last structural review of rail in 2004 we asked passengers what they wanted from any new structure to the industry[2] . The message was clear; they were focused on the outputs that mattered to them – will my train be on time, will I get a seat, will I be kept informed of delays - rather than how the industry went about delivering these.

One theme did come across strongly, however. Passengers wanted a sense that 'somebody' had a strategic vision for the railway and the power to 'get a grip' when necessary. There was a very real desire for stronger, more focused leadership.

**2. Clearer objectives**

- Government to provide greater clarity about what Government policy is, how different strands of policy are harmonised, and make clearer the links between the different levels of policy, objectives, strategies and implementation.
- The High Level Output Specification (HLOS)/Statement of Funds Available (SoFA) process to include specific cost objectives and a greater degree of longer term planning.
- There should be a move away from "predict and provide" to "predict, manage and provide", with a much greater focus on making better use of existing system capacity.
- The DfT to work with industry to develop a comprehensive analysis of how subsidy is used, i.e. where subsidy is used and what it is buying; the DfT should then assess how this use of subsidy contributes to Government's policy objectives

*Passenger views*
The most immediate implication for passengers concerns the move towards greater management of demand – away from "predict and provide" to "predict, manage and provide."

Making better use of capacity is a laudable aim. However, there are many within the rail industry who argue that the best way of achieving this is to move to 'airline style' pricing models that allow (in theory) better utilisation of capacity.

The report itself refers to relatively low levels of train utilisation in Great Britain compared to other European equivalents - i.e. the number of passenger-km per train. It attributes a number of different reasons for this, including the pronounced service peaks in London and the South East which mean that, apart from a few hours each weekday, there is a vast overprovision of capacity. There are those who then argue that if peak demand can be more evenly spread some of this cost can be removed.

We believe that these arguments miss three fundamental points:

i. Captive consumers.
   Many commuters have little (or limited) ability to change travel patterns in response to rising fares. Such decisions are often tied into longer-term choices on where to work or

[2] Putting passengers at the heart of rail services. RPC. 2004

live. Some may be able to change modes of travel but others, especially when commuting into London, have little in the way of a viable alternative or the flexibility to change work patterns. In such instances increasing commuting fares will have little impact on demand and will not lead to changes in travelling behaviour. Put bluntly, if your 'boss' requires you to be at your desk by 8.30am then demand pricing becomes little more than a tax on commuting. We believe that where competition within an industry is insufficient to control price then it is important that the market is regulated to stop captive consumers being exploited.

ii. Railways are not airlines

Airline cost models are not applicable to much of rail travel. For instance how many people commute daily by air, would an airline have flights every 20 minutes between London and Manchester? They are different products with different expectations.

In 2009 Passenger Focus published a major report on fares[3] which showed that Great Britain benefited from some of the most frequent services in Europe. The benefits of this are lost if you are tied to a specific train. Turn-up-and-go frequencies do not align themselves well to airline-style book ahead restrictions. It is odd that we have what amounts to a bus service frequency on many long distance routes in Britain (e.g. three trains per hour London to Birmingham and London to Manchester), but the price of taking advantage of there being "another one along in a minute" is very high.

Our research among employers[4] found that the high price of flexibility within the ticketing structure - for example to allow for a meeting that overruns by 30 minutes - was a problem for businesses. Developing a way to give some flexibility at an affordable price is a key challenge. Not everyone is able, or wants, to plan their precise train journey weeks or days in advance. One of the attractions of rail is the ability to 'turn-up-and-go' – remove this and rail risks losing some of its value/utility.

iii) The 'cliff-face' is man-made

It is argued that the huge difference between fares for peak and off-peak travel creates a cliff-face that distorts travel behaviour and prevents a more efficient use of capacity – e.g. relatively poor loadings on the last 'peak-fare' trains while the first 'cheap-day' trains are packed. The argument continues that removing regulation from off-peak fares (i.e. the erstwhile Saver) will allow train companies to implement a more graduated structure similar to airlines which will generate more revenue while promoting better network utilisation.

However, this ignores the fact that the cliff-face is man-made. It is a consequence of train companies (outside the London commuter sector) being free to increase the cost of the unregulated peak single/return. The Office of Rail Regulation's fares index[5] shows the increase in the average price of rail fares in real terms between 1995 and 2010. For long distance operators regulated standard class fares (i.e. an Off-Peak 'Saver' return) went up by an average of 0.2% in real terms while unregulated fares (including peak Anytime fares) went up by 47.7% above inflation. Peak single/return fares on longer distance

[3] Fares and Ticketing Study. Passenger Focus. 2009
[4] Employers' business travel needs from rail. Passenger Focus. February 2009
[5] National Rail Trends 2009-10 Yearbook. ORR.

journeys can now be so expensive that, by train companies own admission, relatively few tickets are sold.

Why have peak trains with empty seats priced at levels only suitable for the high peak? If you want to fill up seats prior to the 'cliff-edge' why not consider lowering some of the peak-prices on the empty trains and generating new business and new customers? It doesn't always have to be a case of increasing the off-peak to the level of the peak.

Passengers do not exist in a vacuum, they know that tough decisions are having to be made on budgets and, as taxpayers as well, want to see that their contribution is being spent wisely. They also know that high costs are passed back in the way of higher fares. But it is essential that arguments about demand pricing look at the 'real-life' impact as well as economic abstracts – sleepwalking towards a book ahead, single train only airline-style system has serious consequences for how passengers use the railway.

**3. Devolved decision-making**

- Less prescriptive franchises to allow Train Operating Companies (TOCs) more freedom to respond to the market.
- Decentralisation and devolution within Network Rail.
- A greater degree of local decision-making by PTEs, and/or local authorities, brought more closely together with budget responsibility and accountability

*Passenger views*

Passenger Focus is supportive of longer rail franchises – which ought to give the train company more scope to invest. History, however, has shown that length in itself is no guarantee of success. It is absolutely essential that there is a robust mechanism for removing poorly-performing operators. It would be unacceptable for passengers to have to wait for the contract to expire before getting rid of an under-performing operator.

Traditionally franchise targets have tended to focus on the relatively 'hard' measures of punctuality and capacity. We have argued that service quality is also important - and becomes even more so in the context of longer franchises. For instance, it is possible for a train company to meet its punctuality and cancellation targets whilst offering a poor passenger experience e.g. dirty trains, unhelpful staff, not keeping passengers informed.

We believe a franchise should have service-quality targets and that they should count towards any assessment of a train company's suitability to continue. In a competitive market the consumer will 'vote with his/her feet' if they do not like the quality of the product on offer. There is little competition or choice within the rail sector, nor is there sufficient capacity to allow new operators to enter the market to create choice. In the absence of such competition there is a need for regulation to engender similar levels of accountability and responsibility.

The Southern franchise provides a good example of what can be done. It contains passenger satisfaction targets for Customer Service, Train and Station measures. If the train company fails to meet the required targets it must produce an action plan designed to rectify it and/or face a potential fine. As well as driving up the quality of service provided, this also

promotes a greater sense of accountability between service provider and consumer. There is also no additional cost in producing and monitoring the passenger satisfaction measures used in the Southern franchise as they use Passenger Focus's existing National Passenger Satisfaction Survey (NPS).

We believe that the specification is the key to the entire franchising process. We understand the arguments advanced by the rail industry about micro-management hindering the ability of the private sector to innovate. Clearly they would favour as free a hand as possible. However, if nothing is specified how do you monitor a TOC's performance? How, in the worst case, would you remove a TOC for poor performance if there were no standards? How does Government ensure it gets what it pays for with taxpayers' money unless it specifies what it wants in the first place?

So there is a real need for the Government/DfT to continue to have a role in specifying franchises – it can't just be a commercial decision for the operator. Much of the debate, therefore, comes down to the level of specification and the precise targets set within the franchise. We believe the key point is that the targets used are based on attributes that really matter to passengers. That means a mixture of traditional 'hard' performance targets - covering things like punctuality, reliability and crowding – alongside more qualitative targets.

Targets must of course be measured and monitored. Our strong preference is to base the qualitative measure on what passengers say - the best judge of quality being those who have used the services in question. It is possible to frame these in a way that is consistent with Government policy and which still gives the train company considerable leeway to act. For instance, rather than specifying that a franchisee purchase 50 new ticket vending machines (an input target) it could require it to increase passenger satisfaction with retailing (an output target).

The crucial elements are that the targets reflect passenger priorities and that the measure reflects passenger experiences.

We also believe that less specification should not mean less accountability – and the key to accountability is transparency. Giving rail passengers access to performance figures will help them to hold the train company to account and to ask what is being done to improve services in return for the fares they pay. Good management should not feel threatened by this. Indeed the availability of accurate data may actually help them – a particularly bad journey can linger in the memory and distort passengers' perceptions. Accurate, relevant data can help challenge these negative perceptions.

We have recently published some joint research with the Office of Rail Regulation demonstrating the passenger interest in this issue[6]. One of the key areas identified by this report is performance – i.e. punctuality. However, punctuality data is currently only provided at an overall train company level which can easily mask significant differences between routes within the same TOC. Providing performance data at a route/service group level would help prevent this and focus attention on areas that need improving. It is important to stress that this information already exists – it would not involve any new costs in terms of data gathering. Ultimately there is a case for making the full data-set publically available. It is likely that an application would soon be developed that allowed people to check the

[6] Putting rail information in the public domain. Passenger Focus and ORR. May 2011

performance of their individual train. This ‘open-data’ approach to transparency has the added advantage of being virtually free of cost – all the industry has to do is to make the data available.

**4. Changes to structures and interfaces**

- Devolution and decentralisation within Network Rail.
- Introduce diverse ownership of some infrastructure management concessions.
- Closer alignment of route-level infrastructure management with TOCs

*Passenger views*

As mentioned earlier, passengers are more concerned with the services they receive than the structures adopted by the industry to achieve them. So the passenger ‘test’ in such circumstances is whether the changes to structure result in things like more punctual services or the better handling of delays: if the answer is yes then they will generate public support.

There is an argument that greater devolution will create competitive benchmarking of costs and generate greater efficiency to drive down those costs. There is, though, one important caveat - passengers value the concept of a national rail network and want a seamless delivery of service. It will be essential that any drive for decentralisation does not compromise the ability of a passenger to make a journey from one region to another – the seamless journey must not acquire any rough edges.

This was an issue recognised during the original debate on rail privatisation where the phrase ‘network benefits’ was coined to describe all the benefits accruing from having a single national provider – e.g. inter-availability of ticketing, national railcards, the ability to purchase a ticket at station A for use at Station Z. Internal benchmarking could add value, but not if it comes at the expense of such benefits.

Nor must decentralisation come at the expense of co-ordination. There are times when a global overview is required – not least when planning engineering work to ensure that all key routes are not closed at the same time or when planning for significant events such as the 2012 Olympics.

Changes to structures and ownership must not damage the concept of a national railway.

**5. More effective incentives**

- Reform of franchising, with stronger incentives for train companies to reduce costs.
- Closer alignment of Network Rail and train companies
- Introducing a degree of independent ownership of infrastructure management
- Improved incentives for efficient enhancements
- Greater transparency of the industry’s finances and costs performance

Once again the concept of improved efficiency has clear benefits to passengers in terms of reducing the cost of operating the railway. Enabling all parts of the railway to pull in the same direction will certainly help.

Incentives can influence behaviour - which makes it all the more important that the correct targets/incentives are chosen in the first place. From our perspective this means focussing incentives on delivering the type of railway that passengers want. So it isn't just a case of aligning Network Rail and train company incentives, they must also be aligned with passengers' priorities.

In 2007[7] and 2009[8] we carried out stated preference research that asked passengers to rank a series of station- and train-based criteria in order of their priority for improvement.

The table below shows the top ten priorities in 2009 compared with 2007. It also shows the relative importance of each attribute ranking relative to punctuality - the higher the score, the greater priority passengers assign to that service aspect.

National Priorities for improvement

| 2009 | Score | Service Improvement Preference | 2007 |
|---|---|---|---|
| 1 | 1.08 | Price of train tickets offer excellent value for money | 1 |
| 2 | 1 | At least 19 out of 20 trains arrive on time | 3 |
| 3 | 0.98 | Sufficient train services at times I use the train | 2 |
| 4 | 0.86 | Passengers are always able to get a seat on the train | 4 |
| 5 | 0.79 | Company keeps passengers informed if train delays | 5 |
| 6 | 0.75 | Information on train times/platforms accurate and available | 7 |
| 7 | 0.69 | Maximum queue time no more than 2 mins | 6 |
| 8 | 0.69 | Trains consistently well maintained/ excellent condition | 8 |
| 9 | 0.67 | Seating area on the train is very comfortable | 9 |
| 10 | 0.67 | Station staff are available whenever required | 17 |

In the 2009 research there were three clear priorities for improvement: value for money, punctuality and service frequency. These, coupled with seats/capacity in fourth place, emphasise the importance passengers place on the 'core product'.

Passenger Focus also conducts the National Passenger Survey (NPS). We consult over 50,000 passengers a year to produce a network-wide picture of passengers' satisfaction with rail travel. Multivariate analysis reveals that punctuality is the single biggest driver of overall satisfaction while the biggest driver of dissatisfaction is the way that the industry manages delays. In very simplistic terms, this means that the best way to improve overall passenger satisfaction is to get the trains to run on time.

In an era of cost consciousness and efficiency it will be essential that scarce resources are focussed on the things that deliver the biggest passenger 'dividend'.

[7] Passenger Priorities for improvement in rail services. Passenger Focus. 2007
[8] Passenger Priorities for improvement in rail services. Passenger Focus. 2010

**6. Regulation**

- Move towards the industry having a single regulator, the ORR, with a new focus on whole-system outputs and with the necessary resources, skills and standing to support an expanded role
- The DfT to undertake a full review of fares policy and structures, aiming to move towards a system that is seen to be less complex and more equitable, and which also aids the management of peak demand and the more efficient matching of demand with capacity. The Study's recommendations envisage some re-balancing of fares but no increase overall
- The DfT to work with industry to accelerate Smartcards, other retail technologies and introducing other retail locations.
- The DfT, in liaison with the industry, to overhaul the Ticketing and Settlement Agreement which prescribes such matters as ticket office opening hours, providing other enabling pre-conditions are met

*Passenger views*

The most immediate implication for passengers concerns a review of fares policy and structure – something already announced by the Department for Transport.

Passenger Focus agrees with the need for a simpler, less complex fare structure. In 2009 we published a major piece of work on fares and ticketing[9]. This identified a fare structure characterised by:

i. Poor perceptions of value for money

- low levels of satisfaction with value for money, especially among commuters. [Currently only 44% of passengers are satisfied with the value for money for their ticket – a figure that drops to only 31% for commuters[10]]. Part of our 2009 study compared fares in Great Britain with other European countries. It found that commuting to London was considerably more expensive when compared with commuting to other principal European cities. This wasn't just a London issue, even the regional cost of commuting (i.e. to Cambridge, Nottingham, Newcastle, Nottingham, Bristol, Birmingham and Leeds) was higher than the cost into those principal European cities.
- On long-distance journeys the price of flexibility is too high. Our study found that on long distance trains it was possible to travel more cheaply in Britain than elsewhere in Europe – provided you were able to buy an Advance Purchase ticket at the lowest price. If these were not available the GB price was significantly higher than in other countries. For instance, in looking at long distance walk-up, fully flexible day return fares to the principal city, fares to London were 1.87 times higher than in the next most expensive country, Germany. The gap between the cheapest and most expensive fares on the same train can be huge.

ii. Complexity

Existing attempts at simplifying the structure were more about presentation only – the underlying structure is still seen as too complicated. For example:

[9] Fares and Ticketing Study. Passenger Focus. February 2009.

[10] National Passenger Survey (NPS). Spring 2011. Passenger Focus

- a return may only be £1 more than a single
- it can cost less to get off at a station further down the line
- a combination of tickets can cost less than the through-fare
- two singles may be cheaper than a return
- a return may be cheaper than a single

iii. Lack of trust and transparency

There is a perception of:

- the cheapest 'headline' tickets never being available
- not being sold the cheapest tickets
- not being able to find out when tickets are valid (e.g. difference between peak, off-peak and super off-peak)

Before looking at significantly increasing fares or fundamentally changing the nature of rail travel we believe these issues need to be addressed. We believe that some of the rigidities in the existing structure, and the complexities surrounding its use, suppress existing demand and revenues.

We offer the following suggestions:

i. Introduce single-leg pricing for the walk-up railway

On many journeys passengers can commit to a firm outward travel time but are less able to fix the time of the return journey. Properly structured single-leg pricing allows passengers to use a mix-and-match approach to journey planning without being penalised by the disproportionately high cost of the off-peak single ticket (which may only be 10p or £1 less than the return fare).

ii. Introduce an element of flexibility in Advance Fares

- Allow Advance Fares to be 'upgraded' if you miss your booked train. Passengers should be able to pay the difference between what they have paid and the price of the ticket valid at the time, subject to an administration fee. This would address the sense of grievance that many passengers feel when they are confronted with paying the full cost of the most expensive walk-up fare when they miss their train.
- Improve access to Advance Fares. Ideally, passengers should be able to purchase Advance Fares at any time before a service departs. However, we recognise that this is not achievable with the rail industry's current systems. So in the interim we would like to see the cut off time for the purchase of Advance Fares moved from 1800 to no earlier than 2359 on the eve of travel. This would at least allow people to get home from work and plan their affairs for the following day without automatically paying higher prices. Efforts must also be made to increase Ticket On Departure (TOD) schemes and e-ticketing as there are parts of the country where access to Advance Fares is dependent on delivery by post or involves a lengthy round trip to a station with reservation facilities.

iii. Improve value for money for commuters by:

- Developing discounted travel for frequent commuters for whom a traditional season ticket is not cost effective (e.g. the carnet concept).
- Develop and promote a facility to spread the cost of an annual season ticket – allowing more people to take advantage of the benefits offered by an annual ticket.

iv. Give passengers the information on which to make an informed purchase
   - The times you can and can't use each ticket type must be clear before you buy
   - These must be printed on the ticket itself
   - The routes on which you can use a ticket must be easy to find out - at the moment too many say 'any permitted route' without providing any means of working out what is and is not permitted.

v. Consumer protection – Ticket vending machines and websites must do more to help passengers buy the right ticket – e.g. not selling Advance Purchase singles at a higher price than the 'walk-up' fare.

## *2.2 Changes which deliver the major savings*

Recommendations under this heading are the areas from which the principal savings are expected to come.

**7. Asset management, programme and project management and supply chain management.**

- focus on stronger partnership working from inception through to the supply chain, identifying the optimum approaches to maintain, renew or enhance the railway, followed by delivery of the necessary engineering work or equipment in the most efficient manner.

*Passenger views*

Unsurprisingly passengers would prefer the industry to identify efficiency savings rather than see services being cut or fares increased. To this end we would agree with the strong drive towards improving working practices.

We believe there is scope for better alignment of enhancement and renewal schemes. For example, the capabilities of new rolling stock (e.g. greater acceleration, higher speeds and better braking capabilities) are sometimes not fully exploited because potential infrastructure capabilities are not simultaneously released. Not addressing these issues means that we lose the opportunity to create additional passenger benefits (in this example it would mean providing faster or more frequent services) which in turn would create additional demand and revenue.

The renewals budget accounts for nearly 50% of Network Rail's expenditure in CP4 - around £12billion - and yet there is no particular incentive upon Network Rail to improve infrastructure outputs to passengers after the renewal work. It is, of course, important to renew what we have but with the sheer sums involved it must be asked whether it could also deliver additional benefits for passengers rather than 'maintain the status quo'. Should, for instance, Network Rail should be required to review renewals work to see where additional benefits can be achieved? To what extent could ORR define what might reasonably be expected from modern equivalent form renewals of infrastructure? Would improved (and

earlier) stakeholder engagement in the renewals and enhancement help to leverage improved outputs without additional cost?

Another area where we feel improvements can be made is engineering possessions. Passengers understand that there will be times when engineering work will result in disruption to services. Passengers' acceptance of disruption increases if they believe the works are being planned efficiently and in a way that would reduce the overall timescale of the disruption.

Weekends have become synonymous with increased journey times and rail replacement buses. The sense of 'digging up the railway' every weekend is bound to suppress demand for rail. The regulatory regime must incentivise Network Rail to keep possessions to the minimum.

**8. Safety, standards and innovation.**

- Clearer safety leadership at industry level to drive further improvement in the rail safety culture
- Establishment of a rail safety Agency to lead the industry in achieving technical excellence in standards management, technical integration and driving innovation.

*Passenger views*
Safety must be of paramount concern. While efficiencies should be sought in all areas of the railway, passengers will not want see the excellent safety record rail has established jeopardised in any way.

**9. HR management.**

- Review of many aspects of staffing and working practices.
- The need for pay restraint in relation to both staff and senior management.
- The need for improved training and people development.
- Review of overheads and administration

*Passenger views*
The report identified cutting staff costs (which are approaching £4bn a year) as a major priority. Amongst other things it recommended a move towards Driver Only Operation (DOO) and removing regulation on ticket office opening hours – presumably as a precursor to reducing retail staff.

Passenger Focus's research continually emphasises the importance of staff, particularly when it comes to issues of personal security, ticketing and the provision of information.

i) Personal security

- Most passengers who have expressed concern about station security attribute this to

having witnessed anti-social behaviour by other people at the station and a lack of station staff[11]. It is the same story for concerns about security on-board trains.

- Passengers consistently identify the presence of staff as important to providing reassurance to those travelling on the railway[12].
- In terms of improving on-train security 75% of passengers believe that staff walking through the train would be effective[13].

ii) Buying a ticket

Passenger Focus research[14] in 2008 found that many passengers queuing at ticket office window could have bought their ticket from a ticket vending machine (TVM). The decision not to was driven by:

- the purchaser's lack of confidence in using the machine
- the purchaser's lack of confidence in their ability to select the right ticket at the right price
- age: older passengers were less inclined to use ticket machines
- a preference for face-to-face transactions for reassurance

Further research in 2010[15] confirmed some of these fears. Even some passengers who were used to buying tickets through a TVM experienced difficulty when asked to find the correct ticket for an unfamiliar journey. The main cause of this confusion was linked to questions over the validity of ticket types and the restrictions that apply. Unlike buying tickets from staff or online, TVMs were often unable to provide the precise information or reassurance needed by the passenger. This potentially results in passengers buying the more expensive ticket, utilising a 'better safe than sorry' mentality, or taking a chance on the cheaper ticket and 'hoping for the best'.

The ticket clerk will ask some basic questions (about destination, day and time of travel and, where appropriate, about the choice of route/operator) and then offer the passenger a narrowed down range of options. In essence the ticket clerk navigates the passenger through the decision-making process. With TVMs on the other hand, passengers are left to work things out on their own.

iii) Passenger information

Staff presence at stations and on trains is considered an extremely important medium for delivering information – especially at times of unplanned disruption. Passengers express a strong desire for staff to be available on station platforms so that they can provide confirmation of the information displayed on screens, before committing to board a train. Staff are often assumed to be aware of the latest available information, and may be sought out by passengers who want updates or reassurance on whether trains are running to schedule[16].

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[11] National Passenger Survey. Autumn 2010. Passenger Focus

[12] Experiences and perceptions of crime and anti-social behaviour on public transport, Nat Cen Omnibus for the Department for Transport. September 2006

[13] Ibid

[14] Buying a ticket at the station. Passenger Focus. 2008

[15] Ticket vending machine usability. Passenger Focus. July 2010

[16] Passenger information: a vision, Passenger Focus, 2008

There is a very real danger that staff are seen only as a cost without considering the value they are adding. There may be scope for efficiency savings - more multi-functional staff for instance – but the debate must not simply be about cost. A visible staff presence brings real benefits to passengers which any review must also take into account.

**10. Information systems.**

- Improved oversight and management of cross-industry information systems

*Passenger views*

Passengers see the rail industry as a national network and expect a degree of consistency across it. It makes sense therefore for the railway to utilise cross-industry systems.

One area in particular stands out – managing delays. Our research on disruption[17] found too many instances of passengers receiving inaccurate or conflicting information. Passengers wanted consistent information, irrespective of where they got it. They were baffled that staff do not all have the same information. In some instances National Rail Enquiries had more accurate information than was available from the train company itself. Inconsistency contributes to the way passengers believe an incident is not being well-managed. Good industry-wide systems are essential to create a joined-up railway.

It will also be important that cross-industry systems are consistent with the Government's drive towards transparency. Our research shows that passengers want information (on performance and punctuality in particular) to be in the public domain[18]. Such information is important in generating accountability - the more access that passengers have the more they can hold the operator to account for the service it provides. Key to this is to have information disaggregated by line of route – the use of company-wide averages masks performance in individual areas.

**11. Rolling stock.**

- Increased standardisation and more effective procurement of rolling stock, plus establishing strategic partnerships with the ROSCOs

*Passenger views*

Passenger Focus has long argued that there is a need for some standardisation of design. Why, for instance, cannot all trains be capable of being coupled together. This would give the industry more flexibility (e.g. the easiest way of 'rescuing' a stranded train is if the one immediately behind it can push it out of the way but is impossible unless you can couple them together). Greater standardisation could reduce costs, enhance interoperability and should reduce the need for training. The use of common components should boost reliability. There is one very important caveat, however – the drive for standardisation

[17] Delays and Disruption: Rail passengers have their say. December 2010. Passenger Focus
[18] Putting rail information in the public domain. May 2011. Passenger Focus

should not settle on the lowest common denominator with the best being brought down to level of the worst.

Passenger Focus is also keen that new builds of stock do not attempt to redesign or reinvent features already in use. Best practice should enable successful design features to be emulated or improved upon in later builds. For example:

- the realisation that trains fitted with air-conditioning also need windows that can be opened by staff should the air-conditioning fail
- door design seems a perennial problem for new builds – why not establish which method works best and stick with it.
- designing a train to be as vandal-resistant as possible – it may cost a little more at the outset but reduces costs overall
- designing luggage racks that provide the most ingenious use of space design, positioning
- providing adequate handholds for standing passengers

We believe it is vital for passengers to be involved in the design of new trains at the earliest opportunity - initial input at the mock-up stage is far too late and retrofitting is costly, sometimes impossible. Failure to consult at the right level at the right time can condemn a generation of passengers to travelling in trains that are less suitable than they might otherwise have been.

**12. Lower cost regional railways.**

- Piloting more differentiated approaches for both infrastructure and operations which can maintain standards of safety, but which can reduce the costs of less intensively used networks

*Passenger views*

The idea of reducing costs and increasing efficiency is a laudable aim. The danger is that, once again, any review will ignore the contribution regional railways make. This is not only in terms of social benefits - e.g. promoting social inclusion and accessibility – but also in encouraging economic growth and regeneration and the development of the tourist/ leisure industries. Many households do not have access to a car so the regional railway plays an important part in linking regional centres with more isolated communities

As we have said earlier, cost is important and it is right that sensible measures are taken. But, it will be important to do so in a way that does not cut regional railways adrift from the national network. Removing branch lines from through-ticketing requirements, for instance, may save money but it would also risk isolating such services and suppressing demand.

In many ways the existing community rail partnership approach is already working towards the objectives set out in the report. The Association of Community Rail Partnerships (ACoRP) describes such partnerships as a “bridge between the railway and local communities”. They aim to bring together a wide range of interests along the rail corridor

and have been instrumental in achieving spectacular increases in use of rail through innovative marketing, improved services and better station facilities.

## 3. Conclusions

The rail industry is under very clear pressure to reduce costs and to increase efficiency. While the Rail Value for Money study specifically ruled out 'Beeching' style closures it did, rather ominously, raise the spectre of this should its recommendations on cost and efficiency be ignored.

There are benefits to passengers from a more efficient railway. High costs are passed back to passengers directly – through fares – or indirectly through less investment.

However, the report does not consider the value of rail to the economy and to the country as a whole. To be fair to the review, it was not asked to do so – its remit was to focus on costs. But it is crucial that the post-report debate takes both cost *and* value into account – it cannot just be about cuts.

Government and the industry must not lose sight of the fact that the passenger railway exists to serve passengers. It is a highly complex undertaking involving detailed engineering, logistical and retailing operations but put quite simply, without passengers, there is no railway. Change needs to be focused on, and driven by, the needs of the passenger as well as by the issue of cost.

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