



# Northern Direct Award – Issues for consideration

## 1. Introduction

The existing Northern franchise has run for a considerable time, during which there have been some highs, and a number of lows, from a passenger and stakeholder perspective.

The Direct Award itself will run for a period of nearly two years and passengers will expect the franchise to do more than just marking time during this period. It is imperative that the Direct Award builds customer trust and confidence. It can only do this if it includes mechanisms to unlock investment, deliver real passenger benefits and provide firm foundations on which the next franchise can build.

Passenger Focus has already published a detailed report of qualitative research undertaken in June 2012 with passengers using Northern and TransPennine Express<sup>1</sup>. The findings from this research are relevant for the period of the Direct Award. The management summary and main findings are included as Appendix One and we urge that these are fully considered in development of the specification for the franchise operation to February 2016.

An important hallmark of the Direct Award will be to make demonstrable progress on key issues during the two years preceding the new franchise, whilst also undertaking the relevant planning and preparatory work to optimise the opportunities to deliver significant early benefits in the new contract.

## 2. Priorities for the Direct Award

Our first proposals for the Direct Award are for initiatives that we believe can be readily and effectively implemented, with a particular emphasis on those actions that can build passenger confidence and trust.

### 2.1 Transparency

We wish to see far greater transparency of information that is relevant to passenger experience.

Punctuality (PPM) figures which are only produced for the train company as a whole can mean that performance on a problematic route may be masked by better performance elsewhere. A move to reporting on a more granular basis should be instigated promptly. We'd suggest, at minimum, this should be disaggregated by line of route, with information reflecting the performance during the morning and evening peaks and the remainder of the day. However, we believe that there is a case to make this information available for individual trains.

Giving rail passengers access to performance figures relevant to their services will help them to hold the train company to account and to ask what is being done to improve services in

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<sup>1</sup> <http://www.passengerfocus.org.uk/press/passenger-views-on-the-northern-and-transpennine-rail-franchises>

return for the fares they pay. Good management should not feel threatened by this. Indeed the availability of accurate data may actually help – a particularly bad journey can linger in the memory and distort passengers’ perceptions. Accurate, relevant data can help challenge these negative perceptions and focus management attention on areas that need improving.

There is also scope for greater transparency surrounding capacity/crowding. ORR has conducted research looking at the impact of publishing more information on train seat availability which found that passengers not only wanted more information but also acted upon it when planning their journeys<sup>2</sup>.

We advocate increasing the availability of information about the relative capacity of peak and shoulder-peak trains to enable those passengers who can adapt their travel patterns to be able to make informed choices. Ticketing initiatives outlined below may also play a positive role in assisting the management of capacity demands.

More generally, we recommend adoption of an increasingly open approach to making data and information about all aspects of the franchise available in the public domain.

### **2.1.1 Performance monitoring**

In keeping with a move to increase transparency, we think it important that train companies/ the industry publishes right-time performance data (i.e. actual number of trains arriving at the scheduled time alongside the current measure with its five or 10 minute allowances).

Our research shows that punctuality is the main driver of overall passenger satisfaction. In order to better understand the relationship we took a more in depth look at the correlation between satisfaction with punctuality and actual performance. The detailed results can be found in the individual reports<sup>3</sup> but we found a clear picture of:

- Average lateness experienced by passengers being worse than that recorded for train services. This is because of the effect of cancellations and because many trains that are on time at their destination are late at intermediate stations. As PPM measures performance at the final station it is possible for passengers en-route to be late arriving at their station only for the ‘empty’ train to arrive on time – in other words the train is on time despite most of the passengers being late.
- Passenger satisfaction with punctuality reduces by between two and three percentage points with every minute of delay.
- Passengers’ notice delay well before the technical threshold of delay. Commuters notice lateness after one minute rather than the five minutes allowed; while business and leisure users tend to change their level of satisfaction with punctuality after a delay of four to six minutes.

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<sup>2</sup> <http://www.rail-reg.gov.uk/upload/pdf/swt-crowding-data-research.pdf>

<sup>3</sup> E.g. <http://www.passengerfocus.org.uk/research/publications/relationship-between-customer-satisfaction-and-performance-northern-rail>

This shows that passengers do not view a train arriving up to 5 or 10 minutes after its scheduled time as being on-time. As punctuality is the main driver of overall passenger satisfaction it follows that greater adherence to a 'right-time' railway could help drive up overall satisfaction.

As a result we would like to see within the Direct Award agreement:

- A commitment to report the percentage of trains arriving punctually at key intermediate stations.
- A commitment to move towards a 'right-time' railway - possibly involving the reduction of the current 5 minutes allowance and/or publication of right-time performance.

### **2.1.2 Engagement**

Passenger Focus has recently published the findings of research into passenger understanding of the franchise process and their appetite for engagement with it.

It is clear from this work that passengers have unanswered desires to contribute their thoughts, both about priorities for franchise specifications and the performance of incumbents. There is also a desire for greater two-way communication about what each franchise promises – and what is actually delivered.

We would like to see a meaningful development of passenger engagement in this next contract. This should include clearly publishing what will be delivered during the Direct Award term and setting up enhanced feedback mechanisms to elicit passenger views during the period, and respond and report on progress in meeting them.

We are working on ideas for the way passenger engagement can be effectively enhanced in the future and one element will include ensuring passengers will be aware that a new franchise is to be let. We recommend, therefore, that the Direct Award requires Northern to comply with the proposals that emerge in this area and work with relevant parties to provide appropriate public information about the formal competition for the franchise starting in 2016.

### **2.2 Reflecting the passenger voice and enhancing the passenger experience**

The Direct Award should include mechanisms that encourage Northern to strive to improve all aspects of the passenger experience, and respond to passenger feedback on the services they receive. The National Passenger Survey (NPS) provides an effective means to achieve this. We recommend that targets are set to incentivise progress in delivering improved passenger satisfaction with stations, trains and customer service on each of the five 'building block' service groups<sup>4</sup>.

We recommend that the NPS regime focuses particularly on the aspects of service that drive passenger satisfaction and on factors where Northern scores fall below comparator services

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<sup>4</sup> Lancashire & Cumbria, Manchester & Liverpool, South & East Yorkshire, Tyne Tees & Wear, West & North Yorkshire

within the Regional sector and/or service typologies. As the single biggest driver of passenger dissatisfaction, there should also be an emphasis on how Northern deals with delays.

Passenger Focus can make available a range of data to inform the development of a suitable regime for the Direct Award period.

### **2.3 Making buying a ticket easier**

Passenger Focus's research has identified a number of issues with both ticket vending machines (TVMs) and websites – much of which was reflected in Government's own Fares and Ticketing Review consultation, which is expected to report later this year. While the Direct Award period may not provide the scope to fix all the identified problems it is important that momentum is not lost on such issues as:

- Printing any restrictions on passengers' tickets to remove confusion over validity
- Displaying outward and return ticket restrictions on TVMs prior to a passenger committing to purchase
- Making it impossible to buy an Advance ticket on the internet at a higher price than the 'walk up' fare available on the same train

#### **2.3.1 Smart ticketing and extending the range of products**

Progressing the roll out of smart ticketing products cannot wait for the Direct Award term to end. The provisions of the Direct Award should incorporate expediting ITSO developments as well as other smart ticketing initiatives. Technological evolution moves apace and Northern passengers should be provided with the opportunity to benefit from these advances now, not years down the line.

The increased knowledge and information about passengers and their journeys will also provide advantages to Northern, including but not confined to, the ability to improve demand management through incentivising moves away from peak services on five days per week, and an enhanced ability to market additional travel opportunities on less well used services.

Fares and cost of living pressures are a major concern for many passengers. A range of initiatives to improve this should be fostered, including schemes that bring season tickets within reach of a wider range of people. In addition to mechanisms that facilitate purchase (such as low, or no-cost, arrangements to spread the cost of an annual season ticket over the course of a year), these should reflect the increasing trend for work-related travel outside of the traditional full-time Monday –Friday patterns<sup>5</sup>.

We should like to see a range of flexible products introduced that could include, for example:

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<sup>5</sup> See: <http://www.passengerfocus.org.uk/research/publications/understanding-rail-passengers-the-average-commuter>

- Carnet style arrangements, providing discount on a number of tickets for the same journey purchased together
- Cash-back/early-bird/part - time season tickets that 'reward' passengers when they travel less frequently or outside the peak.

## **2.4 Ticketless travel**

Passenger Focus believes ticketless travel is an important issue and one that needs addressing. Passengers who avoid paying for their ticket are in effect being subsidised by the vast majority of fare-paying passengers. However, the revenue protection strategy must provide safeguards for those who make an innocent mistake and whose intention was never to defraud the system. We believe this requires:

- Clear consistent guidelines explaining when staff should show discretion in the enforcement of penalties. For example when passengers do not have their railcard with them
- Commitment not to go straight to any form of criminal prosecution unless they suspect (or have proof) that there was intent to defraud.
- Penalties that are proportionate to the actual loss suffered by the operator.

The industry is currently developing a code of practice for passengers who board without a valid ticket; we should like the Direct Award to require Northern to make a commitment to the early adoption of this.

## **3. Improvements to trains**

The resounding finding from the research with Northern passengers, and an ongoing item of feedback in any discussion of the issues for this franchise, is the need for improvements to, and an increase in, the trains available to operate the services.

A regime to improve the cleanliness of trains should be put in place. However, the key requirement is to find a way to increase the number of carriages available to provide the much needed capacity on key services.

The Direct Award must consider how an increase in rolling stock can be achieved in the short-term and ensure that all necessary measures are taken to prepare the way for the earliest possible introduction of additional trains in the next franchise.

## **4. Charter**

The Direct Award should require a renewed emphasis on strategies to raise passenger awareness of their rights to claim under the Northern compensation scheme and to make the claims process swift and simple.

We also recommend that the compensation mechanism is reviewed with a view to bringing it closer into line with the more widely adopted 'delay-repay' schemes which provide for compensation for delays of 30 minutes upwards.

## **5. Conclusion**

There are many areas where the passenger experience on Northern can be enhanced. Some of these can be delivered swiftly and at relatively little, or no, cost. Other elements may require more substantial resourcing but this does not mean they can, or should, be shelved until a new franchise.

It is imperative that that the Direct Award includes mechanisms to unlock much-needed investment, deliver real passenger benefits and provide firm foundations on which the next franchise can build. Passengers must not be left to pay the price for delays in the franchising process.

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## Appendix One

### Management Summary: extracted from Northern and TransPennine franchises – passenger research, November 2012

Please see the complete document for the detailed analysis<sup>6</sup>.

#### 1.1 Background to the research

The current Northern and TransPennine franchises are approaching renewal. Public consultation regarding the new franchise arrangements was initially scheduled to begin in October 2012, with the new contracts expected to run from April 2014. This timescale is now subject to change following the reviews initiated by the Secretary of State for Transport in the wake of concerns about the West Coast franchise competition.

Passenger Focus has undertaken qualitative research to understand the needs and experiences of passengers using the services currently, to help inform its contribution to this refranchising process.

This report describes the findings from this research, and also draws upon other studies undertaken by Passenger Focus which provide relevant information about passenger views on the Northern and TransPennine franchises.

#### 1.2 Summary of the research findings: passenger views on service delivery

Passengers regard the current rail provision in the north of England as adequate but with a great deal of room for improvement. Services provide for general transport needs which are typically frequent, short distance, local leisure and commuting journeys on the Northern franchise and longer, less frequent journeys with a heavy leisure emphasis on First TransPennine Express (FTPE).

There are particular features of the current operations which passengers feel should be protected as a priority under future franchise arrangements, to ensure that services continue to meet their basic needs:

- A mix of local and longer-distance express services
- Reliability of services, which is felt, on the whole, to be reasonable for both TOCs

Beyond this, an analysis of the *National Passenger Survey (NPS)* shows the service aspects which drive passenger satisfaction, and dissatisfaction, with rail journeys on these franchises are the environment on board the train (cleanliness in particular), ease of getting on and off the train, sufficient capacity for all to sit, journey speed and information provision.

Passengers also identified the following issues which are in particular need of improvement within the future franchises:

- **The quality of rolling stock on routes currently served by Northern Rail**

Trains are felt to be at best uncomfortable but at worst dangerous, and passengers feel that the age and poor appearance of trains is symptomatic of a lack of professionalism and respect for customers.

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<sup>6</sup> <http://www.passengerfocus.org.uk/press/passenger-views-on-the-northern-and-transpennine-rail-franchises>

- **Overcrowding**

Passengers are crying out for more space on Northern trains. While frequency could be increased to alleviate crowding, passengers' feedback suggests that increasing the number of carriages would be their preferred solution.

- **Eliminate fare evasion**

Fare evasion by some passengers is felt to be a big problem, especially on Northern Rail. This makes fare-paying passengers feel a sense of injustice, and frustration that money is being wasted which might otherwise be invested in improving the service – especially in upgrading rolling stock.

Passengers view the cause of this problem to be unstaffed stations, leading to reliance on on-board purchase of tickets, which in turn is often not possible due to overcrowding and too few staff. Some passengers also said not all staff were as proactive in selling or checking tickets as they could be. As a result, passengers feel the main solution to this problem would be an increased staff presence both at stations and on trains.

**In addition** to these priority areas for improvement, passengers fed back on a number of other aspects of service, which they felt should be taken into consideration for the future franchises:

- **Functionality of smaller stations**

Passengers highlighted four key aspects of stations which affect them negatively. In the main these were for smaller and more rural stations:

- Access around stations is not easy where passengers have no choice but to use steps, which are difficult for passengers with disabilities, or with luggage or other items such as pushchairs. While passengers accept that lifts are not always feasible, assistance from staff could make a difference to many in these situations.

- Information at stations is often felt to be inadequate. In addition to wanting improved signage and announcements, passengers feel that staff have an important role in providing and tailoring information, and reassuring passengers about correct platforms, train times, etc.

- Many passengers mentioned that they did not feel safe at some stations, or would avoid some stations for this reason. The upkeep of stations can influence security perceptions, and many feel that poorly kept stations are more likely to attract further vandalism or anti-social behaviour; therefore maintenance at stations should be an important part of future operations. Passengers felt that the presence of other people improves their feeling of safety, and discourages crime and anti-social behaviour.

- **Timetables**

- For some, current timetables are felt to be out of step with modern lifestyles, and do not adequately accommodate passengers who need to travel later at night during the week and at weekends.

- **Fare structures and rules**

- There is great confusion about when and where different types of tickets can be used. This confusion is magnified on many Northern routes, where passengers are sometimes unable to purchase tickets at stations but are unclear about whether it is legitimate to purchase on board or pay on arrival at destination
- With this in mind, many passengers complain about uncompromising staff attitudes towards those who have made genuine mistakes about ticket selection or facility to pay on the train.

- **Provision of information on trains.**

- Passengers using Northern Rail services in particular do not feel that information is provided as effectively as it could be. They would like to see greater frequency of announcements on board, upgrades to the tannoy technology which is sometimes hard to hear, and greater staff presence to help with information.

It is notable that many of the journey aspects that passengers would like to see improved involve a staff presence. In passengers' view, increased numbers of staff (including just one member of staff at some stations, for part of the day) could make a genuinely positive difference in many ways.

### **1.3 Summary of the research findings: franchise responsibilities and structures**

In addition to understanding passenger experiences and needs on the Northern and First TransPennine Express services, this research explored passenger views about changes to the train companies operating the franchises, and devolution of responsibility for rail.

Ultimately, passengers are concerned about how effectively train services are delivered, rather than who operates them or is responsible for specification and regulation. However, they do express some cynicism about anything that involves changing companies, re-branding or re-structuring, if it appears to be done 'for the sake of it'. Any changes to how the franchises are managed in the future should be made and explained with great care to ensure that passengers perceive there to be genuine benefits.

In relation to devolution specifically, there was a reasonably positive reaction in Manchester.

This indicates that passengers are able to see benefits in local transport governance.

However, elsewhere there are some important hurdles in terms of public perception which will need to be overcome including:

- concerns about capacity for local authorities and organisations to manage a complex transport network
- fragmentation
- poor track records in localised service delivery
- satisfaction with the current method.

Again, passengers will need to see genuine advantages to making changes.