



Proposals for the London Midland Direct Award

1. Passenger Focus

Passenger Focus is the independent public body set up by the Government to protect the interests of Britain's rail passengers, England's bus and tram passengers outside London, and coach passengers in England on scheduled domestic services. We are funded by the Department for Transport (DfT) but operate independently.

Our mission is to get the best deal for passengers. With a strong emphasis on evidence-based campaigning and research, we ensure that we know what is happening on the ground.

We use our knowledge to influence decisions on behalf of passengers and we work with the industry, passenger groups and government to secure journey improvements.

2. London Midland Direct Award

The existing London Midland 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.

Although the anticipated term is for not much more than a year, it is imperative that the contract for the Direct Award builds customer faith in London Midland. It can only do this if it includes mechanisms to deliver real passenger benefits and provide firm foundations on which the next franchise can build.

In advance of the detailed discussions between the Department and the incumbent operator, Passenger Focus is taking the opportunity to provide high-level analysis and some key recommendations for the Direct Award. We recognise, and are realistic about, the limitations of such a short-term franchise. Our specific proposals for the Direct Award, therefore, 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.

3. Passenger research and implications for the Direct Award

The context for this submission is framed by two specific strands of research, both of which evidence passenger perspectives and priorities. The DfT also asked Passenger Focus to commission additional qualitative research amongst London Midland passengers. This will report early in 2015 and will be shared with the DfT and London Midland. It will provide further, more detailed information about passengers' current experiences and their aspirations for the Direct Award.

3.1 Passenger priorities for improvement

A national study of passenger priorities¹ shows that the top four requirements of London Midland's passengers directly reflect those of the national sample overall.

Table 1 – Rail passengers' priorities for improvement, comparison of London Midland and Great Britain

Factor	London Midland (sample 113)		Great Britain (sample 3559)	
	Rank	Index	Rank	Index
Price of train tickets offers better value for money	1	473	1	494
Passengers always able to get a seat on the train	2	374	2	367
Trains sufficiently frequent at the times I wish to travel	3	242	3	264
More trains arrive on time than happens now	4	192	4	178
Less frequent major unplanned disruptions to your journey	5	175	6	161
Train company keeps passengers informed about delays	6	166	5	163
Fewer trains cancelled than happens now	7	151	7	136
Accurate and timely information available at stations	8	131	8	132
Less disruption due to engineering works	9	100	13	90
Inside of train is maintained and cleaned to a high standard	10	97	11	93
Accurate and timely information provided on trains	11	90	12	92
Free Wi-Fi available on the train	12	86	10	97
Well-maintained, clean toilet facilities on every train	13	85	14	89
Journey time is reduced	14	76	9	105
Connections with other train services are always good	15	73	15	84
Seating area on train is very comfortable	16	56	17	59
Good connections with other public transport at stations	17	54	16	62
There is always space in the station car park	18	51	26	27
Improved personal security on the train	19	50	21	41
Train staff have a positive, helpful attitude	20	49	18	47
Station staff have a positive, helpful attitude	21	49	19	46
Improved personal security at the station	22	46	22	38
New ticket formats available such as smartcards, ticket Apps, print at home etc.	23	41	20	45
Stations maintained and cleaned to a high standard	24	37	24	36
More staff available at stations to help passengers	25	32	25	29
Sufficient space on train for passengers' luggage	26	30	23	37
More staff available on trains to help passengers	27	22	28	20
Reduced queuing time when buying a ticket	28	22	29	20
Free Wi-Fi available at the station	29	20	27	24
Access from station entrance to boarding train is step-free	30	18	30	15
Safe and secure bicycle parking available at the station	31	9	31	10

¹ <http://www.passengerfocus.org.uk/research/publications/rail-passengers-priorities-for-improvements-october-2014>

The priorities in table 1 above are shown as an index averaged on 100. An index of 300 is three times as important as the average and an index score of 50 is half as important as average. So in table 1 we can see that, for London Midland passengers, the top priority of 'the price of train tickets offers better value for money' is approaching five times more important than the average, with 'passengers always able to get a seat on the train' close to four times more important than the average.

This research provides a very clear picture of passengers' priorities for improvement. The two top priorities, by some considerable margin, are 'price of train tickets offers better value for money' and 'passengers always able to get a seat on the train'. The strong third priority for improvement, indexed at 242, is 'trains sufficiently frequent at the times I wish to travel'.

The next group of important priority factors also feature what can be regarded as core elements of service. Passengers want good information about their services, improvements in punctuality and reliability, and fewer disruptions.

3.2 National Rail Passenger Survey and drivers of satisfaction and dissatisfaction

The National Rail Passenger Survey (NRPS), together with an analysis of the drivers of satisfaction and dissatisfaction, is a comprehensive source of information about passenger perceptions of the current franchise. It can also be broken down to show variations across three 'building block' groupings of London Midland services.

Evidence from the NRPS reinforces the importance of punctuality and reliability as one of the highest priorities identified for the franchise.

Figure 1 below shows the dominance of punctuality and reliability as a driver of satisfaction for London Midland passengers overall. It is a particularly strong factor for passengers on the West Midlands route at 56% but considerably less so for West Coast passengers at 7%.

Other notable factors driving satisfaction include the comfort of the seating area and the cleanliness of the inside of the train. Provision of information about train times/platforms is a strong factor for satisfaction amongst London Commuter passengers. Speed of the journey is important for West Coast passengers at 18%.

An analysis of the factors that drive passenger dissatisfaction also echoes the importance of key factors to passengers (figure 2). Where delays are not dealt with well, passengers will be dissatisfied. Poor perceptions of punctuality and reliability are also notable in driving dissatisfaction. Other factors that clearly influence passengers are speed of journey and the conditions on the train.

London Midland NRPS scores for a range of journey attributes, including value for money, punctuality, dealing with delays and room to sit and stand are shown in Appendix One.

Figure 1 – Drivers of satisfaction NRPS Autumn 2013/Spring 2014: London Midland and Building Blocks

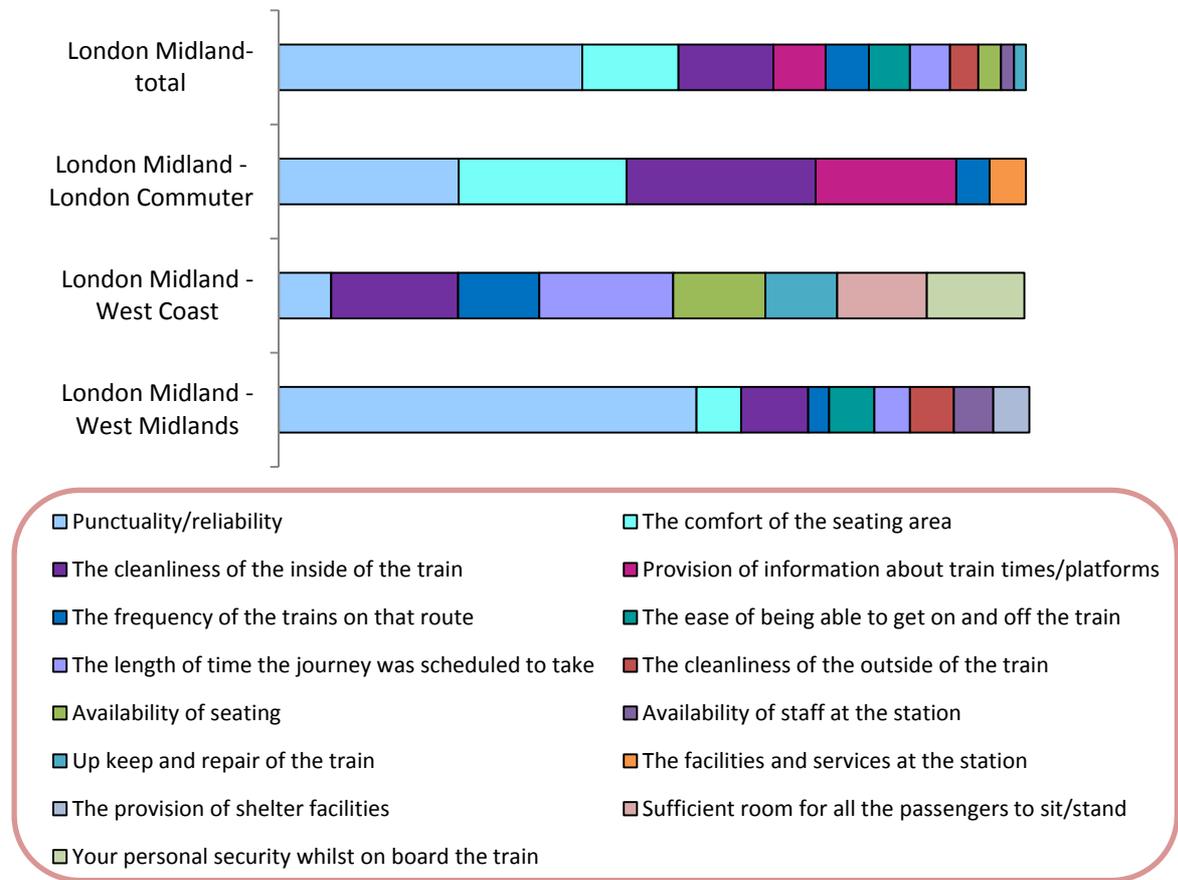
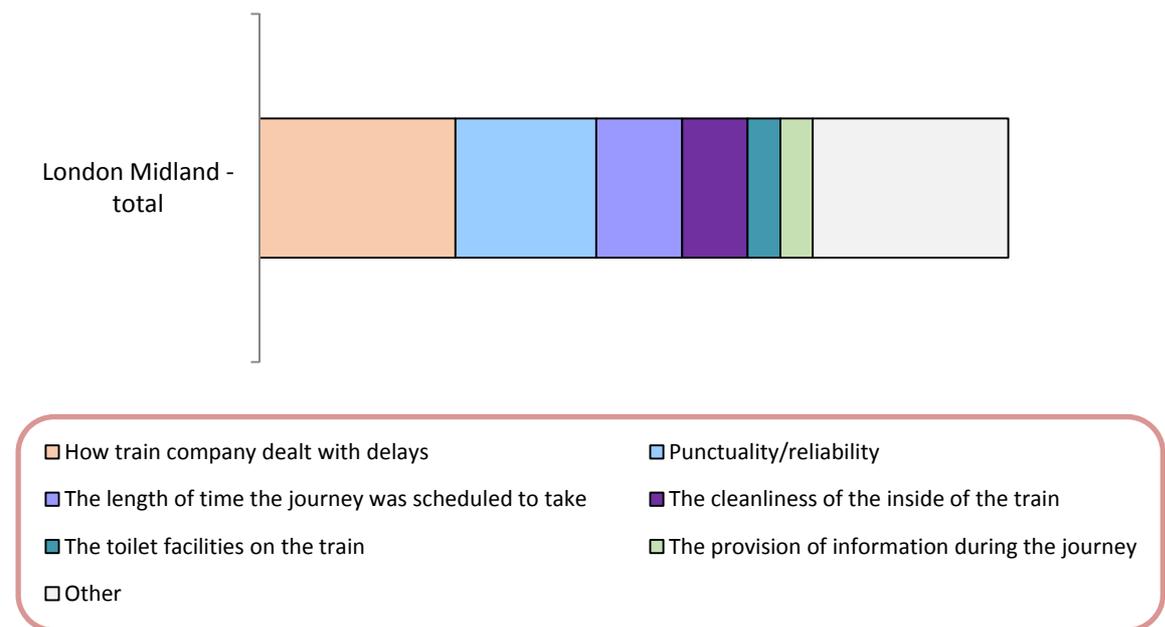


Figure 2 – Drivers of dissatisfaction NRPS Autumn 2013/Spring 2014: London Midland



3.3 Core factors for passengers

Based on NRPS and the priorities for improvement research we can readily identify the core factors that matter to passengers. These should be kept firmly in mind as negotiations for the Direct Award take place and contract proposals are brought forward.

Passengers want a franchise that will deliver:

- value for money for the price of tickets
- a punctual and reliable service
- provision of sufficient capacity, both in terms of frequency of service and sufficient seating on the train
- effective management of any disruption, especially through information to passengers
- accurate information about trains and platforms.

4. Key issues for the Direct Award to address

Within the constraints of a short-term franchise we suggest a focus on the benefits that can be derived from specific initiatives that we believe can be readily and effectively implemented, with a particular emphasis on these actions that can build passenger confidence and trust.

4.1 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 by line of route at minimum but 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 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 and focus management attention on areas that need improving.

Hence, at the very least, we believe there is a case for providing performance data at a disaggregated route level in the period of the Direct Award.

There is also scope for greater transparency surrounding capacity/crowding. The Office of Rail Regulation has conducted research² looking at the impact of publishing

² http://orr.gov.uk/_data/assets/pdf_file/0016/4804/swt-crowding-data-research.pdf

more information on train seat availability which found that passengers not only wanted more information but also acted upon it when planning their journeys. 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.

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.

4.2 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).

As demonstrated in section 3.2, 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 on specific franchises. The detailed results can be found in our individual franchise submissions³ 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.

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.

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

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.

4.3 Engagement

In 2013 Passenger Focus published the findings of research into passenger understanding of the franchise process and their appetite for engagement with it.⁴

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 have been pleased to work with the DfT on a research project to understand more about passengers' current experience and their priorities for improvement on London Midland. We hope that the findings will inform the Direct Award discussions and, within the limitations of a short-term contract, the agreement about what is to be delivered. When negotiations are concluded we recommend that there is a clear public statement about key elements of the Direct Award, particularly how they address passenger requirements.

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 London Midland to comply with the proposals that emerge in this area from our current discussions with the DfT and work with relevant parties to provide appropriate public information about the formal competition for the franchise in 2017.

4.4 Reflecting the passenger voice and enhancing the passenger experience

The Direct Award should include mechanisms that encourage London Midland to strive to improve all aspects of the passenger experience, and respond to passenger feedback on the services they receive. The National Rail Passenger Survey (NRPS) 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 across each of the key service groups.

We recommend that the NRPS regime focuses particularly on the aspects of service that drive passenger satisfaction and on factors where London Midland scores fall below comparator services within the London and South East sector. As the single

⁴ <http://www.passengerfocus.org.uk/research/publications/giving-passengers-a-voice-in-rail-services>

biggest driver of passenger dissatisfaction, there should also be an emphasis on how well London Midland 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

4.5 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 in 2012. While a short extension clearly does not provide a long enough period to fix all these 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.

4.6 Ticketless travel

Research⁵ has shown that passengers find the issue of fare evasion very frustrating. There is a strong sense of injustice amongst those who have paid for a ticket when some passengers are known to be travelling for free. They also felt that this reduced the amount of money available for investment.

Passengers believed that the main solution to fare evasion would be to make better provision for the purchase of tickets at stations and on board, and to implement better checking procedures and enforcement. This must include:

- clarity and consistency over when it was permissible to buy a ticket on board a train – the current system is felt to be too arbitrary
- managing ticket queues effectively (at TVMs and offices)
- providing ticket restrictions in an easy to access form and in plain English
- providing the passenger with verification of permission to travel without a ticket
- providing the passenger with verification of attempt to purchase a ticket if a card is declined due to bank security measures or signal issues.

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

⁵<http://www.passengerfocus.org.uk/research/publications/passenger-views-of-northern-and-transpennine-rail-franchises>

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 London Midland to make a commitment to the early adoption of this.

4.7 Charter

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

We should also like to see increased clarity around the definition of ‘sustained poor performance’ that would trigger additional compensation to season ticket holders who experience frequent delays under the 30 minute threshold.

4.8 Curtailing services

There have been unwelcome examples of London Midland scaling back services to apparently the minimum that they are contractually obliged to operate, despite inconvenience to passengers (e.g, Christmas Eve 2013). This appears to be a cost-cutting mechanism but does considerable damage to reputation and has a detrimental impact on people who may not have the flexibility to arrange their working hours and travel patterns in the same way that London Midland can adapt their timetable. We urge that mechanisms are put in place during the Direct Award to ensure that services operate on the basis of demand and are not unduly restricted.

5. Equity and access

The Direct Award must incorporate requirements to ensure that the needs of all potential passengers are recognised and addressed. The specific needs of passengers who are disabled or who have other access needs must be considered and appropriate adjustments made to ensure stations and trains can be utilised safely at all stages of the journey, with necessary assistance provided when required.

6. Conclusion

This submission on the London Midland Direct Award considers the key requirements of passengers and sets out the core factors that matter to them.

We recognise, and are realistic about, the limitations of the short-term franchise which is in prospect. However, it is imperative that the contract for the Direct Award builds customer faith in London Midland. Our specific proposals 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.

There are many areas where the passenger experience on London Midland 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.

The Direct Award must include mechanisms to deliver real passenger benefits and provide firm foundations on which the next franchise can build.

7. Contact for further information

For further information about this submission or other aspects of Passenger Focus work on the London Midland franchise please contact:

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Appendix One

London Midland NRPS scores Spring 2014 – wave 30

Table 2 - London Midland performance versus London and South East sector operators (train attributes)

Train attributes	TOC	Sector	TOC Index
Overall satisfaction with the train	79	77	103%
The frequency of the trains on that route	75	75	100%
<i>Punctuality/reliability (i.e. the train arriving/departing on time)</i>	<i>74</i>	<i>75</i>	<i>99%</i>
<i>The length of time the journey was scheduled to take (speed)</i>	<i>83</i>	<i>82</i>	<i>101%</i>
Connections with other train services	72	75	96%
The value for money of the price of your ticket	50	41	124%
Cleanliness of the train	75	74	101%
Upkeep and repair of the train	78	74	106%
The provision of information during the journey	69	68	102%
The helpfulness and attitude of staff on train	62	56	110%
The space for luggage	54	50	106%
The toilet facilities	44	34	131%
Sufficient room for all passengers to sit/stand	66	62	106%
<i>The comfort of the seating area</i>	<i>74</i>	<i>69</i>	<i>107%</i>
The ease of being able to get on and off	82	77	106%
Your personal security on board	77	75	102%
<i>The cleanliness of the inside</i>	<i>75</i>	<i>74</i>	<i>101%</i>
The cleanliness of the outside	75	72	104%
The availability of staff	41	35	118%
<i>How well train company deals with delays</i>	<i>35</i>	<i>35</i>	<i>98%</i>
<i>Blue font:</i> aspects of journey which are particularly important to passengers			

Table 3 - London Midland performance versus London and South East sector operators (station attributes)

Station attributes	TOC	Sector	TOC Index
Overall satisfaction with the station	75	77	97%
Ticket buying facilities	74	72	102%
<i>Provision of information about train times/platforms</i>	<i>81</i>	<i>79</i>	<i>103%</i>
The upkeep/repair of the station buildings/platforms	62	66	94%
Cleanliness	72	72	100%
The facilities and services	52	54	97%
The attitudes and helpfulness of the staff	71	71	100%
Connections with other forms of public transport	65	75	87%
Facilities for car parking	51	47	108%
Overall environment	62	66	94%
Your personal security whilst using the station	66	69	96%
The availability of staff	54	60	90%
The provision of shelter facilities	66	63	105%
Availability of seating	50	42	119%
How request to station staff was handled	88	83	106%
The choice of shops/eating/drinking facilities available	43	46	94%
<i>Blue font:</i> aspects of journey which are particularly important to passengers			

Table 4 - London Midland building block/route data (train attributes)

Train attributes	London Commuter	West Coast	West Midlands
Overall satisfaction with the train	79	83	78
The frequency of the trains on that route	76	78	74
<i>Punctuality/reliability (i.e. the train arriving/departing on time)</i>	<i>77</i>	<i>82</i>	<i>71</i>
<i>The length of time the journey was scheduled to take (speed)</i>	<i>84</i>	<i>87</i>	<i>81</i>
Connections with other train services	74	81	69
The value for money of the price of your ticket	38	65	52
Cleanliness of the train	77	78	73
Upkeep and repair of the train	79	78	78
The provision of information during the journey	71	81	65
The helpfulness and attitude of staff on train	62	74	59
The space for luggage	53	57	53
The toilet facilities	42	45	45
Sufficient room for all passengers to sit/stand	63	66	67
<i>The comfort of the seating area</i>	<i>67</i>	<i>79</i>	<i>75</i>
The ease of being able to get on and off	83	87	81
Your personal security on board	81	81	74
<i>The cleanliness of the inside</i>	<i>78</i>	<i>79</i>	<i>72</i>
The cleanliness of the outside	78	82	72
The availability of staff	37	51	41
<i>How well train company deals with delays</i>	<i>42</i>	<i>43</i>	<i>31</i>

Blue font: aspects of journey which are particularly important to passengers

Table 5 - London Midland building block/route data (station attributes)

Station attributes	London Commuter	West Coast	West Midlands
Overall satisfaction with the station	71	83	74
Ticket buying facilities	77	88	69
<i>Provision of information about train times/platforms</i>	<i>83</i>	<i>88</i>	<i>79</i>
The upkeep/repair of the station buildings/platforms	60	74	59
Cleanliness	69	79	71
The facilities and services	58	59	48
The attitudes and helpfulness of the staff	71	83	69
Connections with other forms of public transport	75	78	58
Facilities for car parking	53	71	46
Overall environment	61	70	60
Your personal security whilst using the station	71	68	63
The availability of staff	54	64	52
The provision of shelter facilities	58	72	67
Availability of seating	36	65	53
How request to station staff was handled	95	97	83
The choice of shops/eating/drinking facilities available	48	43	41

Blue font: aspects of journey which are particularly important to passengers