

Giving passengers a greater say

New research reveals challenge DfT faces in fulfilling commitment to put passengers in driving seat



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► In March, transport secretary Patrick McLoughlin announced that forthcoming reforms to the franchising process would place passengers “in the driving seat”. The stated intention is that passengers will have greater influence over the types of services train operators provide, the way they are managed and, potentially, the way contracts are awarded. The move would form part of a new approach to franchising that balances cost and service quality more effectively.

On the face of it, it could appear that the passenger interest is already taken into account to a large extent both by government and operators. Over the past decade, the National Passenger Survey has shown progressive improvements in passenger perceptions with 85% now saying they are satisfied. At the same time, operators have introduced new ways of listening to passengers’ concerns from ‘meet the manager’ sessions to setting up ‘customer boards’ to the widespread introduction of new media channels.

The Department for Transport, itself, runs the most comprehensive consultation process when franchises are tendered of any country in Europe, formally requesting the opinion of user groups and local authorities among others. In their bids, operators are required to demonstrate how they have researched customers’ aspirations and taken them into consideration.

However, the ineffectiveness of these measures in genuinely focusing government and operators on the full range of passenger interests was highlighted by the collapse of the West Coast franchise competition. It graphically exposed to the public that subsidy reduction, rather than improving the value provided to passengers, has been the industry’s dominant driving force.

New research - *Giving Passengers a Voice in Rail Services* - conducted by Passenger Focus has now revealed the extent of these inadequacies. It shows individual passengers “do not

believe they are consulted in any way” on the development of their services, and characterise the industry as having “a culture of forgetting about the customer”. User groups believe operators pay “lip service” to their opinion.

Perhaps the most striking illustration of the industry’s and government’s lack of engagement with the public is that the research shows most passengers are not even aware when a new franchise is being let. Nor are they aware of the service improvements operators have agreed to deliver. The first indication many have that a franchise has changed hands is when new branding appears on stations or trains, and they do not understand why the change of operator has been made.

The remedies proposed by passengers would have a number of significant impacts on how the DfT manages its franchising process and the way train operators are required to interact with their customers.

The research showed that when franchises are relet, passengers’ opinion on current performance and their future requirements should be canvassed through an independent survey, with the findings informing the DfT’s franchise specification. The specification would be reviewed by passenger representatives before being issued to companies competing for the contract. Passenger representatives would then review the bids submitted with their opinions feeding into selecting the winning bid.

When a new franchise begins, the



Passenger Focus
chief executive
Anthony Smith

winning operator would be obliged to ensure passengers are aware of its franchise commitments, and passengers would have a role in monitoring delivery. This would involve a range of regular opportunities to comment on performance, including surveys by operators and DfT, and less formal arrangements such as comment cards. The operator would be required to show it has acted on passengers’ views.

Summing up, Passenger Focus chief executive Anthony Smith said the research highlighted a “trust gulf” between operators and the industry that needed to be addressed. Reforms should focus on engagement with passengers, transparent information, and demonstrating that commitments have been delivered.

The research also suggested that the industry is mistaken in its assumption that passengers have little interest in issues beyond their immediate service, such as how it is funded and managed. “You may think ‘why should they care about that?’, but what is clear is there is a desire to know more,” Smith said.

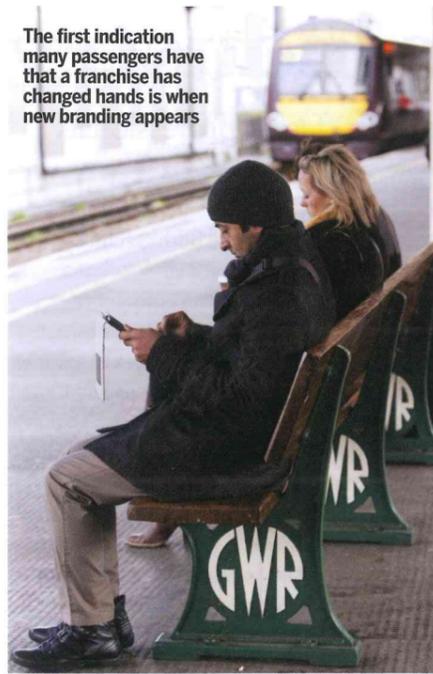
At the launch of the report, senior executives from the DfT, train operating companies and the Office of Rail Regulation were unanimous in viewing the research as one of the most important projects the watchdog has undertaken.

DfT franchising director Pete Wilkinson was candid in admitting that it highlighted how “the passenger interest had been lost” in the way franchises are let and managed. In some respects, he said the foundation was in place to address the issue, as the DfT has the most comprehensive duty to consult on franchise specifications he has experienced in any country. However, he acknowledged that the process needs to be broadened to formally include business and community groups, make it easier for individuals to offer their opinions, and ensure the views expressed have greater influence.

“Where the criticism is fair is that the way decisions are made are not necessarily in the customer interest,” he said ... “We are simply not paying enough attention, not just to

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passenger needs but to businesses and others.”

At the launch event, Passenger Focus canvassed opinions from all sectors of the industry to inform its views on how passengers could gain a more effective voice.

While Smith saw new uses for social media as playing the key role, Centro’s head of integrated services, Chris Perry, warned against over reliance on technology. When consulting on bus network revisions in the West Midlands, Centro actively solicits views in a wide range of contexts, including football grounds and shopping centres, as well as bus stations. This level of engagement has created more positive perceptions that Centro would take notice of the public’s views as well as encouraging larger numbers of people to contribute their opinion.

In addition to attracting responses from a relatively narrow constituency, Wilkinson identified that a major shortcoming in the DfT’s approach to consulting on franchise specifications has been to confine itself to asking for opinions on specific proposals. He said this had given the impression to the limited range of organisations consulted that the DfT had already decided how services would be developed. He acknowledged that, to an extent, they were correct to have formed that impression.

“We do tend to make decisions on the basis

of what we think customers want rather than actually going out and asking them,” he said. An alternative, which he suggested the DfT needed to consider, would be to ask open questions on the services passengers want.

ORR chair Anna Walker said that some lessons could be drawn from utility industries, which have adopted a relatively transparent and open method of engaging customers and acting on their concerns. “I sit on the board of a water company [Welsh Water] and we are required to research what our customers think in different parts of the country and then share how that has made a difference to our business going forward...we need something like that,” she said.

Lessons could also be available from the upgrade to the London Underground network. Transport for London’s managing director, customer experience, Vernon Everitt, said the experience had shown that customers want to be treated as stakeholders in the transport network rather than as “a unit in the system”.

TfL is continuing to develop an approach which includes making information available on the benefits upgrades will deliver to individual journeys and the system as a whole, how the work is being paid for, when improvements are expected to be delivered, and progress in meeting objectives.

He said this “new attitude of mind” could have a significant impact on rail passengers’ perceptions of value for money, which the NPS shows has a 47% satisfaction rating.

“When you scratch beneath the surface of how people perceive value for money, it goes well beyond the ticket price,” Everitt said. “A huge part is how people are treated which comes back to information, how to open up data and treating people like grown-ups. For example, there is huge demand to understand sources of income and how money is being spent, articulated in plain language, not accountancy speak.”

Hynes, meanwhile, suggested that customers could be better informed of the franchising process by creating and publicising a new DfT online portal. The aim would be to collate the information dispersed across a number of sites operated by industry bodies, expand the information available and make it more accessible. It would include information on when each franchise will be let, what stage each competition is at, which companies have

been shortlisted and why, and the basis on which each new franchise will be awarded.

Information on the contractual commitments made by each operator could also be made easier to publicise and understand by focusing commitments on core issues and reducing the level of detail that needs to be provided. This, in turn, would assist in enabling customers to hold operators to account. “The committed obligations are far too long in my opinion,” Wilkinson said. “What we want to do is focus on the things that really matter, that passengers tell us they want.”

However, in designing the new system for passenger involvement, Wilkinson warned that it would be essential to ensure passengers understand the extent of the changes that the industry is able to deliver.

“We have to be careful what we wish for,” he said. “I am not in the business of creating expectations that can’t be delivered.” ■

A QUESTION OF TRUST

► Passenger Focus has acknowledged that its previous research programmes have not highlighted the full extent of the way passengers perceive rail services and the industry.

In February, a *Which?* survey found that passenger satisfaction at Britain’s 19 rail franchises was, on average, just over 50%. By contrast, Passenger Focus’s autumn 2012 National Passenger Survey (NPS) recorded passenger satisfaction of 85% (PT050).

The results of the *Which* survey were dismissed by the Association of Train Operating Companies due to its smaller sample size and its methodology. However, Passenger Focus chief executive Anthony Smith admits that the striking difference in the results gave his organisation cause to question how well it and the industry really understand passengers’ mindset.

“What we are starting to think is it’s quite possible for passengers to be happy with their experience on a particular day [when the NPS is carried out], but do they trust the industry, do they trust the providers?” Smith said.

Passenger Focus’s new research - *Giving Passengers a Voice in Rail Services* - has been designed to examine these broader issues of trust between passengers and the industry and vice-versa. “It shines a light on passenger attitudes that we should have looked at some time ago,” Smith said.