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Sep 13 BM 2.2

Board meeting / conference

Date: Thursday 11 July 2013
Location: The Watershed, Bristol
Time: 10.00 – 13.13

Present

Colin Foxall CBE
Philip Mendelsohn
Bill Samuel
Barbara Saunders OBE
Deryk Mead CBE
Isabel Liu
Paul Rowen
Dr Stuart Burgess CBE
Bob Linnard

Chairman
Board member
Board member
Board member
Board member
Board member
Board member
Board member
Board member

Presenters

Anthony Smith
Christopher Irwin
Giles Fearnley

James White

Sharon Hedges

Guy Dangerfield

Sue Evans

Ben Rule

Patrick Hallgate

Chief Executive, Passenger Focus
Chair, TravelWatch SouthWest
Managing Director, UK Bus First Group
Transport and Rail Co-ordinator,
West of England Partnership
Passenger Issues Manager,
Passenger Focus
Passenger Issues Manager,
Passenger Focus
Director of Communications, First Great Western
Director of Operations, First Great Western
Great Western Route Director,
Network Rail

Around 40 stakeholders and members of the public attended the meeting.

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1 Chairman's Opening Remarks; Apologies

The Chairman welcomed everyone to the meeting, which was a major step in the process of realising meaningful discussion on important passenger issues throughout the country. Further such meetings were planned in Scotland and Wales in 2013-14, and in other parts of England in 2014-15.

2 Opening Keynote Address

Anthony Smith outlined the role and recent activities of Passenger Focus, including the current year's theme of, '*Passenger Power!*' Given that rail passengers now paid £2 for every £1 of taxpayer funding it was time they were more engaged in decisions affecting their rail travel. On bus travel, work was geared towards understanding *why* passengers used buses. It was clear that the bus industry was something of a mystery for passengers, who in general were surprised to learn that buses were invariably commercial enterprises.

The National Passenger Survey (NPS) remained the core product of Passenger Focus and was growing in size, scope and influence. There was considerable power in comparative benchmarking because no operators liked being last and for passengers there was great value in learning of perceptions more widely. It was a powerful process and there was much more data potentially to uncover. Passenger Focus drew themes out from NPS results where it could work to make the most difference for passengers. Punctuality usually emerged as the foremost concern, but issues such as cleanliness were on the increase in terms of importance and should be easier to resolve.

The organisation also handled appeal complaints for passengers and had picked out key issues from these, such as unpaid fare notices where some behaviour from rail companies was bordering on scandalous. The industry had listened to the concerns and implemented a code of practice. Value for money was another key issue and Passenger Focus had undertaken much work that had been publicly cited. The issue was also particularly important for bus passengers and a review on that was due. The drivers for dissatisfaction centred on information on and understanding fares.

Passenger Focus had a growing input in rail franchising, where it would develop the principle of *Passenger Power!* as on bus with quality contracts. Smart ticketing ran through all the themes and would eventually be a powerful travel tool, but they were still some way distant. Again, passengers had not been given an adequate voice on the question of smart ticketing; the first piece of research in this area - the South East Flexible Ticketing Study (SEFT) - was now published on the Passenger Focus website.

Government was listening to *Passenger Power!* on railways. Passenger views had been too distant for too long. Our aim was for everyone in the transport industry to begin every decision with the question - what do passengers want.

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3 Overview of Local and Regional Transport

Chris Irwin explained that his organisation was a community interest company that acted as an advocate for users of public transport throughout the South West region of England.

The main characteristic of the South West region was its dispersed population over a vast geographic distance. The population was fast-growing and increasingly aged; it was also a wealthy region, but one which had vast disparities between economic centres and the farther flung areas. For instance, the average wage in Swindon was twice that of Cornwall. This had significant implications for transport. Interestingly, even with the vicissitudes of rail travel in the West there had been extraordinary passenger growth, at twice the level of the UK as a whole.

Despite this growth, the South West had very poor connectivity. In almost every respect, the transport network in the region was an area of considerable concern and it did not meet reasonable expectations in terms of usage or facilities. Great Western had the oldest passenger train fleet in mainline use and away from the conurbations the bus fleet was also appallingly aged.

Looking at public expenditure accounts and taking a regional analysis of public transport spending per head, it was clear that the South West had fared very badly. Expenditure on rail infrastructure illustrated this picture very clearly. Some welcome investment was being made, but this would lead to a decade of disruption for rail users. While that disruption was ongoing the lack of resources and under-capacity would continue. In addition, undermining the economic case for modernisation of Great Western was the absence of vehicles capable of dealing with diversionary needs. After the decade of disruption would be a decade of 'bustitution' down the M4 and it was necessary for someone to consider rolling stock needs going forward.

Another challenge was the 'fudged' franchising. It was difficult to contemplate letting a short-term franchise that would be delivered in three years to another franchisee as a network of chaos. An interim franchise could be let to cover the interim period of disruption, with a full franchise from 2019 that would bring the South West in line with national franchising.

There was also a concern regarding the competence of engineering possession management. For instance, concurrent closures from the work in Reading to Whiteball Tunnel and Cowley Bridge would result in six weeks' bustitution ultimately due to poor planning.

It was vital for users to be heard. There was a South West tradition of being too nice and the region needed to stand up for itself. Some local authorities and LEPs in the South West were inclined to a parochial view and struggled to think across boundaries – a problem exacerbated by the decreasing number of officers with transport expertise. Plymouth, for example, had campaigned for three-hour journey times to London without considering adequately the either the commercial or the service implications of reduced calls at intermediate stations that they had proposed to achieve faster end-to-end journeys. National politicians, for different reasons, had tended to take the electors of the South West for granted, but it was an era in which legislation was driving greater stakeholder participation. Franchises should only be let if there were public transport plans in which users must be creatively involved. This required resourcing.

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Travel Watch South West had adopted the Winning Together strategy. It had collaborated successfully with LTAs and some LEPs. The strategy would only work with sufficient energy put into it and with consumer participation as its benchmark.

4 The Role of Buses in Meeting Passenger Transport Needs in the Bristol Travel Area

Giles Fearnley outlined developments in the Bristol area. First Group was transforming its bus division with customers at the heart.

According to a survey by TomTom, Bristol was the most congested city in the UK. Average journey times were 31% longer than on a clear run, compared to 27.5% in London. The peak time average was 56% longer in the morning and 54% in the evening. This congestion affected bus operations. For major routes in 2003 10 minute services required 31 buses and 109 drivers, but in 2013 to maintain the same level of service required 43 buses and 151 drivers. It cost the company an additional 0.8% of its cost base for every 1% reduction in journey speed just to maintain the service in Bristol. In taking decisions GPS data was used to determine how buses were faring, as well as input from customers. Most important though was feedback from drivers, who observed every aspect of their journeys and saw issues that were often easy to resolve. There was daily focus on improvements.

It was a locally managed company, as was First Group's approach in response to criticism. Local and customer input had been increased as a result of greater local autonomy. The business currently served 55 million passengers per year with 100 local bus routes and 2,000 staff. It worked with partners in the West of England Partnership and had received £42 million Government funding on the bus priority programme. First Bus also worked closely with the city through its traffic control centre.

The company was very mindful of passenger opinions, which were helpful in comparisons between areas and understanding what was going wrong. Positively, 80% of passengers were broadly satisfied with the service. However, only 55% thought the service represented value for money; this was a real concern. In April, therefore, First Bus launched 'A fare hearing for Bristol' survey to give passengers a voice and in so doing had taken the opportunity of finding out what would make people use their buses more. There had been open consultation with Councillors, MPs and minority focus groups.. Again, it was also vital to understand what drivers thought because they could provide very important feedback. The survey closed on 29 June with 5,000 responses. An overriding outcome was that passengers wanted the reintroduction of the £1 three-stop-hop fare, which was reissued in immediate response.

First Bus was working with the new Mayor, who had been elected with transport as a key priority and had been heavily involved in the fares consultation. Recent initiatives in response to the prioritisation of transport had been to extend late evening services on main routes to 02.00 and develop 24-hour cross-city operations. The company supported car-free Sundays and had offered additional bus services. Underlying all the work was business transformation aimed at consistently high quality delivery that customers could rely on that was good value for money.

The Chairman commented on how positive it was to see an operator conduct its own surveys to understand how to better deliver for passengers. Passenger Focus appreciated the work First Bus was undertaking in Bristol.

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5 The Case for Integrated Transport in the West of England

James White stated that there was a strong case for greater transport integration in the West of England. It was an area of 1.1 million people, a powerhouse economy and a largely self-contained work and economic area. With the Bristol TempleQuarter Enterprise Zone in addition to others scattered across the area to create 95,000 jobs, people needed greater transport options.

Some aspects of transport planning were functioning well in the region. The four Local Authorities worked together through the Joint Transport Executive Committee (JTEC). It was an open and transparent process that led on the joint transport plan and ensured a unified direction. In addition the Local Transport Board prioritised the Government's Major Transport Scheme Funding. The Partnership had worked well together on the Diamond Travelcard and it was encouraging to see partners working closely. The region had been successful in getting funding for Local Sustainable Transport Fund measures, which encouraged use of buses and rail on transition stages in people's lives. Some of the funding was used on improving bus services and providing quality products.

Smart cards would be rolled out over the whole network eventually, but this was a gradual process. The Authority had bid for Better Bus Area funding and Bristol Temple Meads had a major enhancement vision to improve the station and interchange. The Council's proposed introduction of three MetroBus routes was aimed at creating a reliable express service across Bristol and was part of a step change in providing quality bus services. MetroWest was a rail proposal to open up two freight-only rail lines to passengers, to bring half-hourly train services into all local stations and potentially up to 10 new stations. This was an ambitious project with a cost of £94 million and a 2017 timescale.

Transport strategy faced several challenges including funding and sustained passenger growth. It was important to manage aspirations for transport to ensure they were realistic and pragmatic, given limited funding. In doing so, it was vital to keep the four Local Authorities on-board, given their potentially disparate concerns. Ultimately, the aspiration of integration had to be to make the West of England transport function well and ensure it did not fall behind the rest of England.

6 Questions and Answers

The Chairman asked about governance structures with the Mayor in Bristol. Chris Irwin commented that there had been a marked change in the Bristol travel area, but many commuted to the city from outside and it was important not to ignore the implications of changes in the surrounding region. The Chairman noted that this mirrored London, where transport ambition ended suddenly with the Greater London boundary, even though the connectivity of surrounding areas was just as important. Chris Irwin agreed, suggesting the travel to work area outside Bristol should be included in the functional region.

Giles Fearnley commented that the Partnership had been hugely successful in delivering its aspirations. The boundary issue presented a challenge, but the governance structure was working presently and should be supported. Anthony Smith added that passengers ultimately did not care about who ran a service as long as it ran well. In Scotland and London decentralised power were actually highly centralised within their respective regions. James White felt that joint-working was an evolution and a step-by-step process of

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inclusion. However, the four Local Authorities represented both a planning and highway authority, which was a great advantage.

A member of the public observed that the Partnership was working well, but suggested the next step should be to expand its penetration to regions where the train routes ended. He had also observed that funding for interchanges did not appear to be on Parliament or others' agenda. Another other issue was that there should be more bids for buses and money for buses into the Greater Bristol area. On local rail there was an opportunity being missed on the electrification of local lines and the Government should pick this up. Commenting on interchanges, Anthony Smith stated that it was helpful to reduce barriers to travel. Dublin Coach had developed an app that gave live arrival information for passengers at specific stops; usage data from this app had led Dublin Coach to move several bus stops that were evidently in the wrong location. More important than interchanges was ensuring services were located where passengers wanted them. This avoided the danger of political trophy projects that did not meet a need.

Chris Irwin agreed that it was the quality of user experience in totality that should to be addressed. There were examples of great success in the South West, demonstrating that if the right service was attractive and affordable it would be used more. Giles Fearnley agreed that was important that buses were able to deliver passengers to where they wanted to be, otherwise usage would decline. James White noted that much of the work being undertaken was improving the journey experience on bus services; it was important for funding to focus where it would be most appreciated. The Chairman commented that it was useful to understand the services passengers used before investing, so as to avoid providing those services that would not be used.

Philip Mendelsohn commented that users who were not dedicated bus users were unlikely to be attracted to bus travel and so driver behaviour and bus culture was important in helping them understand buses were not like they used to be. There were also huge opportunities in data-mining to understand where passengers wanted bus services. Giles Fearnley agreed that maintaining a high quality service was key and there were beginnings of greater openness on doing that. First was becoming more open about what it was doing to ensure services were of the right quality before passengers used them.

7 Passenger Priorities for a Great Western Franchise Extension – and Beyond

Sharon Hedges stated that the delay to the Franchise competition process had been bad news for passengers. There was a huge agenda for change, but passengers and the railway were left worse off by delays to investment and innovation. Ultimately, passengers did not care who ran the railway as long as a good service was delivered.

Extensive research had been undertaken with Great Western passengers that correlated well with the NPS. Passenger Priorities research tested views across a range of characteristics and identified that top priorities for improvement were punctuality/reliability, availability of seats and value for money. Detailed results were available on the website. Unusually, in the Great Western passenger research, availability of seats had risen above value for money as a priority, indicating that the capacity challenge had to be addressed. Upkeep/repair of the train as sixth priority emphasised the underlying quality demand of passengers. The biggest driver of satisfaction was punctuality and reliability, whereas dissatisfaction was driven principally by how train companies dealt with delays.

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Passenger Focus wrote to the DfT when the West Coast franchise extension was in discussion, indicating that, whilst there were challenges for direct award negotiations some things that would benefit passengers would be easy and relatively cheap to deliver. Transparency was foremost amongst these, especially increasing information about punctuality and capacity/crowding. ORR work with South West Trains on publishing crowding information had encouraged users to adjust their journeys accordingly. In performance monitoring it was important to also measure punctuality at key intermediate stations as well as end points, and there should be a shift towards publishing 'on time' figures. There were also required improvements to stock and infrastructure that could not be delayed for years, because the world was moving forward and this should not be delayed. There were also concerns regarding revenue protection practices where there could be some improvement; moreover it was fundamental to continue to improve passenger satisfaction.

There had also been work on engagement because passengers had felt detached from the franchise process. The *Passenger Power!* agenda sought to enable passenger input, enhance their understanding and provide them a role in monitoring franchise delivery. Additionally, it was important for the franchise extension process to set a clear framework for the delivery of the offer.

8 Passenger Expectations for Managing Disruption during Great Western Upgrade

Guy Dangerfield outlined that there were three elements to Passenger Focus's research on engineering-related service disruption: qualitative, quantitative and immediate feedback on affected journeys. Research illustrated widespread cynicism and negativity, but there was also reluctant recognition from some that to rebuild the railway some disruption was inevitable.

Passengers generally highlighted the lost time they had experienced through disruption. For instance, it was not possible to work on a bus as well as on a train. This could lead to anxiety around transfers from train to bus and reflected diminished value for money of such a journey. Ultimately, sustained disruption made it hard for some people to sustain their expected lifestyle. There was a wider issue of whether the railway was treating passengers appropriately as paying customers. Railways had a tendency to come across as a take-it-or-leave-it experience and passengers experienced confusion, hassle and anxiety.

Over half of passengers indicated that they would have found another mode of travel if any part of it involved a bus. For a one hour journey, three-quarters would opt for a 30 minute longer diverted train journey rather than use a replacement bus. Buses were a weak link in the journey where things could easily go wrong: busses could be missed, misidentified or delayed. There were further questions raised regarding quality, but also in relation to weakness in escorting passengers between the train and bus.

One in four of passengers reported that they had seen nothing during the journey planning process indicating that their journeys would be disrupted, and the industry system should enable the provision of such information. Most passengers felt they should not pay the same train fare for travelling on a bus. For the Nottingham disruption in August 2013, users were provided 15% discounts on walk-up tickets and free travel for season ticket holders; this recognised that the same product was not being provided.

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Passengers also sought a basic understanding of what was causing disruption. There were lessons from TfL, which routinely conveyed a message of why engineering mattered to the passenger. The national railway, by contrast, rarely provided an explanation of what was happening.

Passenger Focus recommended that the industry should minimise the use of replacement buses to keep passengers travelling by train, making whole-line closures only once all other options had been considered. Companies and retailers should do more to enable passengers to make an informed choice when purchasing tickets, and passengers also wanted to understand what was being done that necessitated closing rail lines. Additionally, TOCs should recognise the message that passenger transfer between bus and train needed improvement.

The Chairman added that Passenger Focus took a proactive interest in discussing with operators what could be done to improve the lives of passengers. There had been work by all parties together on Reading, for example, which had produced a very positive result.

9 Great Western Franchise – Current Performance and Future Options

Sue Evans cautioned that with negotiations with DfT ongoing many details about future plans could not be shared publicly.. However, she would outline the current and recent investment being made for the benefit of passengers.

Over the past six years 95 carriages had been added to the fleet, on a passenger network running at 9.6% growth. Early on in the franchise the business invested £65 million on the HST interior refresh and £80 million on quieter engines, but some of the fleet was looking tired. The turbo and west fleet had seen a £24.8 million refresh - passengers had fed back that investment had made journeys more pleasant. £8 million had been spent on catering improvements to differentiate the service. £85 million had been invested on station and car park improvements, and working with partners had helped grow passenger numbers and make important car park extensions happen.

Recognising the need for better customer information, £16 million had been spent on CIS replacement and upgrade and £4 million had been invested in frontline staff customer service training. It was important to understand how staff interacted when there was disruption and what customers required to make decisions. First Great Western was working with Flybe on customer service training for engineering and control teams. It was overall winner in the ACoRP rail awards two years' running and had seven of the 10 fastest growing community rail lines in the UK. The company also received Investors in People Silver Status Award for 2013.

Spring NPS results had been poor at 80% overall satisfaction. Everyone had worked together to support each other during flooding and problems after major projects. It was testament to the relationship with Network Rail that it was possible to work together to ensure that railways were reopened fast and customers looked after.

Effective communication during major projects was important. The scale and size of the work across the network meant that it was vital to be organised and prepared on communications regarding those disruptions with passengers by taking a joined-up approach. Passenger need was at the forefront and the

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Reading 2010 blockade had been recognised as industry best practice. Customers needed clear, timely and reliable information coming through. Clear media protocols had been established, by working with Passenger Focus to develop four phases of engagement on disruption. The plan entailed warm-up and engagement 35 weeks prior; inform and update at 18 weeks; and call to action and ramping up of communication at 12 weeks, followed by review post-completion.

Ben Rule explained that his role was effectively to manage the service delivery of stations, train crew, control, performance management and operational standards. It had no direct responsibility for train planning or project work, which was undertaken separately.

Primarily the principle underlying his role was that customers should want to use the product: more than just attracting customers, it should delight customers. Passengers wanted a routine, predictable and uneventful commute and the company wanted to be able to offer that; work was about more than just fixing what had gone wrong.

The operational business was extremely complicated largely due to the geographic spread of the network, but also how it was operated. For instance Paddington to Penzance included 13 stations whose platforms were too short, and five of those too short were of different lengths. There were also multiple types of driver and guard, adding to the complication. The ambition was that this complication would disappear from view to the extent it was no longer a concern. The focus now was on getting performance right. There was a performance taskforce across FGW and Network Rail to tackle the peak performance on Thames Valley and HST service. Since February, there had been improvement in peak performance from 67% to 92% on HSS and 72% to 89% on Thames Valley.

Operational upgrade would deliver various aspects. IEP would have kit that made divergent platform lengths easier to deal with; journey information would go straight to the driver; trains would intelligently tell drivers what to do when something was going wrong. The ETCS signalling system simplified the driver's role and presented an opportunity to make training simpler and cheaper. Crossrail was an opportunity to simplify the Thames Valley service. On timetables there would be matching of trains to the type of service. Better IT for controls would make their jobs easier and give staff more time to deal with the customer. There was also a need to think innovatively, and it was vital that the franchising programme did not stall the innovation needed.

Sue Evans summarised that First Great Western was committed to and focused on improving the customer service experience. It was a diverse franchise with far-flung commuters who were as important as the high speed customers. A new franchise had to continue and facilitate participation from partners, customers and colleagues, and continue capacity and station enhancements to improve the passenger experience.

10 Delivering the Great Western Route Upgrade

Patrick Hallgate stated that the railway was undergoing a five-year transformation costing £6 billion. This was a lot of investment to deliver in a short space of time, in the context of increasing passenger numbers and massive freight growth.

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In the past investment had been London-centric, with 75% of rail travel starting or ending in London. However, the smaller number of journeys could not be ignored. There was enormous growth in conurbation travel into Bristol, Exeter and Plymouth, requiring plans of investment. Passenger numbers in Bristol, for instance, were forecast to increase by 44% by the end of the decade. Stations were outdated and the intention was to develop the whole area in conjunction with the enterprise masterplan initiative.

It was an enormous challenge. Reading was the most visible project in terms of the Western upgrade, but only represented 15% of the value of the upgrade and was only half complete. The track upgrade would improve capacity and layout, giving the ability to grow container growth without disrupting the main line. However, passengers wanted service now. Much of the challenge would be on Crossrail, which was network work, rather than much of Reading, which could be done without affecting the entire network.

The impact from flooding had been huge. Proposals had been offered to the Minister on how to make the railway more resilient and disruption preventable.

Great Western had been more successful than most on passenger improvement. Reading was a £895 million project to solve the biggest bottleneck in the South East. From there the upgrade would move on towards Oxford with station masterplans and an outline plan for Paddington, which had limited attraction as a destination and risks regarding the dynamics in the Paddington Basin area that needed to be understood.

On electrification, the first pilots were undergoing testing in Germany to try to obtain permission to run trains on one line while electrifying the other. Testing was going well and the aim was to ensure a service could still be provided. The output of the electrification programme far exceeded anywhere else in the world erecting over-line masts. It was a huge piece of work.

To improve passenger environment a range of mid-range station schemes were improving station accessibility. There was much closer interest in councils in the West than elsewhere in the country on this, which First Great Western sought to foster and highlight. The relationship between the company and Network Rail in the past had been poor, but now they were building a relationship with the right attitude.

The Chairman commented that the scale of the upgrade work was huge and detrimental impact on passengers was inevitable. The investment had been needed for a long time, but it was important to remember those who used and paid for the railways.

11 Questions

A member of the public noted a discrepancy between the forecast 44% passenger growth in Bristol over 10 years and the annual 9% growth highlighted by Sue Evans. In this context, he questioned whether the upgrade would solve the capacity issue. Patrick Hallgate explained that the growth rates varied across different areas and lines; resolving the capacity issue would require local solutions as well. When there was such large growth on a national scale, dividing up demand into extra capacity through extra carriages formed a national queue. The industry had to improve on delivering this. Sue Evans added that in October it would be possible to relate the detailed plans that First Great Western would have in place.

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David acknowledged the work that First Great Western had undertaken on accessibility. He sought assurance that the company would continue to work with the relevant parties to work through equality issues. It had to be worked through as it was with Bristol City Council and the West of England Partnership.

A member of the public noted that there had been no reference to the 'seven-day day railway' in the outline of upgrades taking place and he asked whether it had been dropped. Patrick Hallgate clarified that it remained a target that he aimed to achieve, but that some milestones had been more difficult to meet than hoped. There had been difficulties, for instance, with the HSE and ORR in terms of getting permissions for undertaking works with adjacent lines open. There were upgrades using some machines that would place limiting factors on trains to ensure they did not block adjacent line work. The benefits in terms of seven-day railway opportunities would not be seen until the end of the process. Ben Rule added that although a convenient strap-line, the 'seven-day railway' did not necessarily encompass all the key issues with regard to the best way of undertaking work and engaging customers.

Sue Evans stated that the company had worked closely with partners on Access for All. This work would continue and money would be in such schemes as they became available. There would be continued work locally on the issue. Commenting on potentially reduced bustitution fares, Sue Evans stated that the relevant experts would be consulted regarding what could be done. It was especially important to discuss the issue, given the huge scale of the projects in the pipeline.

12 Any Other Business

The Chairman thanked everyone for attending and for their useful contributions.

Signed as a true and accurate record of the meeting:

Colin Foxall CBE
Chairman, Passenger Focus

Date