



Response to Department for Transport
Intercity East Coast
rail franchise consultation

Passenger Focus – who we are and what we do

We are an 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) and our independence is guaranteed by an act of Parliament.

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.

1. Introduction

This document provides Passenger Focus's response to the Department for Transport's (DfT) consultation on the specification of a new Intercity East Coast (ICEC) rail franchise, expected to start in late 2011. Passenger Focus carried out qualitative and quantitative research among over 6000 passengers in Autumn 2009 and made a submission to the Secretary of State for Transport during preparation of DfT's consultation. Passenger Focus's full submission can be viewed on our website <http://www.passengerfocus.org.uk/news-and-publications/document-search/document.asp?dsid=3526> and a summary of the recommendations made is set out in Section two for ease of reference. This document is therefore confined to responses to the questions specifically posed in the DfT consultation and comments about a small number of other issues.

2. Passenger Focus recommendations to Government

a. Passenger Satisfaction

- Passenger Focus **recommends** that DfT requires the new ICEC operator to achieve a 90% National Passenger Survey (NPS) overall satisfaction and to implement a strategy designed to achieve 92% and above.

b. Train performance

Passenger Focus **recommends** that DfT includes the following requirements in the specification for the new franchise:

- Challenging but achievable targets for increasing the number of trains achieving 'right time or early' arrival at destination, but without resorting to extended journey times.
- Challenging but achievable targets for reductions in the number of trains reaching their destination more than 20 minutes late, but without resorting to extended journey times.
- A requirement to report on the percentage of trains arriving at key intermediate stations 'right time or early' and later than the minimum connection time allowed by industry journey planning systems at those stations. We would suggest Peterborough, Doncaster and York, at which the minimum connection times are, respectively, eight minutes, seven minutes and eight minutes.

c. Fares, ticketing and value for money

Fares regulation

- That the fares regulation regime applied to the ICEC franchise allows prices to rise by no more than Retail Prices Index (RPI) plus 1% per annum. In addition, we recommend that restrictions be placed on the fares basket flexibility that currently (2010 excepted) allows RPI+1%+5% on individual fares.

A logical, transparent and fair pricing structure

- That a new, easily-understood fares structure is introduced on ICEC that will be regarded by passengers as logical, transparent and a fair price for the journey being made. Prices for those passengers who can buy well in advance and stick to their plans can be fantastic value for money: The Spring 2009 NPS shows 70% satisfaction with value for money among users of Advance Single tickets on National Express East Coast (NEXC). However, the options for those travelling at short notice, or requiring even a small degree of flexibility are in some cases extremely expensive and result in value for money satisfaction scores plummeting: 43% among users of Off-Peak and Super Off-Peak tickets and 26% among users of Anytime tickets. Flexibility at an affordable price is a key requirement of such a new structure and it should seek to reduce those unregulated prices, e.g. Anytime Singles and Returns that have risen considerably ahead of inflation in recent years.
- To help deliver flexibility at an affordable price, that the Off-Peak Single (formerly Saver Single) be priced at 50% of the Off-Peak Return (formerly Saver Return) instead of being £1 less as at present. This mechanism is used already by First Great Western and Virgin Trains to give passengers the opportunity to mix their use of train-specific Advance Single tickets and more flexible options – for instance, travelling out on a specific train but needing flexibility about the return time.

- That passengers holding Advance Single tickets who miss the train on which they have booked should be permitted to pay the difference, plus an administration fee, between what they have paid already and the appropriate new ticket they are required to purchase. This will substantially address the genuine anger passengers feel when they miss their intended train and are asked to buy a completely new ticket with no account taken of the money already paid. The sums involved can be significant: a Standard Advance Single from London to Newcastle costs up to £119.50. Surely, with an administrative fee applied, that sum should count towards the new ticket a passenger is required to buy?
- To ensure passengers have confidence in the fares structure, that fares on 'walk-up' interavailable flows controlled by ICEC, the official through fare must never exceed the sum of 'walk-up' interavailable fares for individual legs of the journey (except where a journey takes place partly at peak time and partly not).

Spreading the cost of an annual season ticket

- That the facility to pay for an annual season ticket in 12 instalments, without a charge for credit, is developed and activity promoted. This will allow more passengers, and potential passengers, to benefit from the value offered by the 52 weeks for the price of 40 annual season ticket. It will also bring the railway in line with other public and private sector organisations.

Ticket vending machines

- That on flows controlled by ICEC, applicable restrictions should be printed on passengers' tickets to remove confusion over validity.
- That all ICEC ticket vending machines must clearly display outward and return ticket restrictions on the screen prior to a passenger committing to purchase.

Internet ticket sales

Passenger Focus **recommends** that DfT includes the following requirements in the specification for the new franchise:

- That impartial retailing rules be formally extended to cover internet ticket sales through the new operator's website
- In order to prevent overcharging and ensure passengers can have confidence that they are getting the best price, that it be made impossible to buy an Advance Single ticket at a higher price than the 'walk-up' fare available on the same train and that it be made impossible to buy out and back Standard Class Advance Singles at a higher price than the 'walk up' return fare available on the same trains. Two examples below illustrate why this safeguard is necessary: they are exactly the sorts of issues that lead passengers to conclude that the fares system is either incoherent or is deliberately designed to make them pay more than they need.

Example 1: research on 29 September 2009 showed that the NXEC website would sell a £96.50 Standard Advance Single ticket from London to Newcastle on the 1900 departure on 30 September, and a £46.75 Standard Advance Single for the 1655 departure from Newcastle to London on 1 October – total £143.25. However, a ‘walk up’ Super Off-Peak return is valid on these trains for £105.

Example 2: research on 29 September 2009 showed that the NXEC website would sell a £111.50 Standard Advance Single on the 1555 Newcastle to London on 1 October 2009 when a ‘walk up’ fare of £104 is available on that train.

- That the ‘cut -off’ time for buying Advance Single tickets be moved to the latest practicable time to allow the production and positioning of ticket reservation labels. The remaining as-yet-unsold Advance Single tickets should stay on sale, if practicably possible, until two hours before the train departs from its origin station.

d. Service frequency and getting a seat

- Passenger Focus **recommends** that DfT specifies that the weekday off-peak standard hour service pattern becomes the timetable operated by ICEC on Saturdays and Sundays.

Weekday evenings northbound

- Passenger Focus **recommends** that DfT includes a requirement in the specification for the new franchise to run later trains on weekdays from London Kings Cross to destinations where this research suggests that current timetables are not meeting passengers’ needs.

Weekday evenings southbound

- Passenger Focus **recommends** that DfT includes a requirement in the specification for the new franchise to run later trains on weekdays to London Kings Cross from stations where this research suggests that current timetables are not meeting passengers’ needs.

Saturday evenings

- Passenger Focus **recommends** that DfT includes a requirement in the specification for the new franchise to run later trains on Saturdays from London Kings Cross to destinations where this research strongly suggests that current timetables are not meeting passengers’ needs.

Sunday mornings

- Passenger Focus **recommends** that DfT includes a requirement in the specification for the new franchise to run earlier trains on Sundays to London Kings Cross from stations where this research suggests that current timetables are not meeting passengers’ needs.

Later last train north of Newcastle

- Passenger Focus **recommends** that DfT requires later services between Newcastle and Edinburgh, calling at Morpeth, Alnmouth, Berwick and Dunbar.

Newcastle to Edinburgh service pattern in general

- Passenger Focus **recommends** that DfT uses the opportunity presented by the re-letting of the ICEC franchise to review the timetable between Newcastle and Edinburgh, taking into account the feasibility study announced by Transport Scotland on 10 September 2009 into an hourly Edinburgh to Dunbar service.

e. Facilities and services on-board the train

On-board Catering

Passenger Focus **recommends** that DfT includes the following requirements in the specification for the new franchise:

- That all* ICEC trains operate a buffet counter and at seat trolley service in Standard and First Class offering snacks and light refreshments.
* Passenger Focus recognises that on a very small number of ICEC trains it may not be cost-effective to provide a buffet and an at-seat trolley service
- That key business trains and other longer distance trains that run over meal times offer the facility to obtain a hot meal at your seat, whether passengers are travelling Standard or First Class.
- That delivery of the catering provision be a Committed Output within the franchise, not to be withdrawn or downgraded by the operator, and subject to audit and mystery shopping to ensure that it is consistently delivered.

We also **recommend** that DfT draws bidders' attention to the findings of our research in this area, in particular around:

- the widespread ignorance among passengers, including regular passengers, about what catering is actually on offer
- perceptions that quality is mediocre (e.g. sandwiches & coffee) and that certain high street brands may encourage more passengers to buy on board more often
- the absence of 'healthier' options (e.g. fruit)
- the high price of some items for what they are, particularly compared with the same item in the high street
- that the current range of complimentary items in First Class generally underwhelms
- that catering staff are not always as attentive as passengers expect.

Train presentation

Passenger Focus **recommends** that DfT specifies the following in the new ICEC franchise:

- That all additional rolling stock brought into the ICEC franchise is refurbished to the same standard as the existing Mk IV and HST fleets
- That DfT includes contractual targets for NPS satisfaction for train cleaning, up-keep and repair within the new franchise.

Wi-Fi provision

Passenger Focus **recommends** that DfT includes the following requirements in the new franchise:

- That onboard Wi-Fi continues to be provided free of charge to both First Class and Standard ticket holders on all ICEC trains
- That there is a requirement on the new operator to monitor customer satisfaction with the reliability of the onboard Wi-Fi and develop action plans to address issues that emerge
- That building on the facility already provided at York station, free Wi-Fi be provided within the principal waiting areas of the 12 ICEC-managed stations and reasonable endeavours made to procure the same at London Kings Cross, Leeds and Edinburgh Waverley.

f. Personal security

Personal security on-board trains

- Passenger Focus **recommends** that DfT includes a requirement in the specification for the new franchise to increase satisfaction with personal security on board.

Personal security at stations

- Passenger Focus **recommends** that DfT requires the new operator to maintain all existing secure station and car park accreditations and to achieve accreditation where it is currently lacking
- We also **recommend** that DfT draws bidders' attention to the Passenger Focus publication **Passenger perceptions of personal security on the railways**, March 2009: <http://www.passengerfocus.org.uk/news-and-publications/document-search/document.asp?dsid=2572>

g. Stations

Priorities for improvement at stations

Passenger Focus **recommends** that DfT requires bidders to demonstrate how their investment and station management plans will deliver:

- more seats for passengers waiting for trains
- cleaner and better-maintained station toilet facilities
- station staff that are more visible to passengers
- station staff with better knowledge during times of disruption

Passenger priorities for car parking

- Passenger Focus **recommends** that DfT requires bidders to develop, alongside their assumptions about volume growth during the franchise term, a station travel plan for how passengers will get to and from each station, including implications for car parking. The key elements of each travel plan should become committed obligations in the franchise.

Car parking fees

- Passenger Focus **recommends** that in the new franchise DfT specifies that an RPI+1% cap on 'all day' and annual car-parking prices be applied at ICEC stations for the duration of this franchise.

Station presentation

- Passenger Focus **recommends** that DfT includes contractual targets for NPS performance in the area of overall environment, upkeep repair of station buildings/platform and cleanliness.

h. Additional issues

Passenger's Charter

Passenger Focus **recommends** that DfT requires the Charter for the new ICEC franchise to contain:

- An 'irrespective of cause' delay repay scheme giving compensation to the value of 50% of either the outward or return portion for a delay of 30-59 minutes; compensation to the value of 100% of either the outward or return portion for a delay of 60-119 minutes; and compensation to the value of 100% of the outward and return portions (where applicable) for a delay of 120 minutes or more. The new operator should be encouraged to add "without quibble, we will exchange National Rail travel vouchers for a cheque on request"
- Compensation to the value of your ticket in the event that a seat reservation is not honoured and an alternative seat cannot be found on the train
- Compensation to the value of your ticket in the event that an Assisted Passenger Reservation System (APRS) booking is not honoured
- In the event of a missed connection because of delay to or cancellation of an ICEC train, a commitment to arrange alternative transport to get passengers to their final destination if the next connecting train is more than 60 minutes later and the alternative transport will result in an earlier arrival than waiting for the next train
- In the event that delay to or cancellation of an ICEC train makes it impossible for a passenger to get to their destination at a reasonable time by train or alternative transport, a commitment to EITHER get the passenger back to their origin point and let them travel again the following day OR arrange overnight accommodation and let them continue the following day, in either instance without additional charge. The new operator should be encouraged to add "taking into account the passenger's preferences".
- A commitment to provide refreshments on trains and at stations in the event of severe delays
- Additional protection for season ticket holders in the event of poor punctuality in the peaks over a sustained period. The principle is contained within the existing NXEC Charter, but it needs to be strengthened by replacing the words "will consider compensating" with "will compensate" and agreement on an appropriate delay threshold and trigger level. Based on research conducted previously on this subject, we suggest a 10 minute threshold because less than 10% of passengers expect to be compensated for a delay of under 10 minutes.

Meeting the needs of disabled passengers

Passenger Focus **recommends** that DfT includes the following requirements in the specification for the new franchise:

- That sufficient post-journey customer satisfaction surveys are conducted each period to give a robust indication of the views of ICEC passengers who used APRS when making their journey
- That based on the findings of these surveys and other feedback received from disabled passengers, an annual action plan be developed setting out actions designed to improve the service provided to disabled passengers using ICEC trains and stations, including customer satisfaction among those using the APRS system.
- That all passengers with an APRS booking whose journey will be affected by amendments, cancellations or disruption to services will receive a telephone call to help them re-plan their journey.

In addition, we recommend that DfT draws bidders' attention to **Passenger Focus's best practice guidelines** in this area: <http://www.passengerfocus.org.uk/news-and-publications/document-search/document.asp?dsid=1898>

Staff on trains

- Passenger Focus **recommends** that DfT includes contractual targets for NPS performance in the area of availability of staff on trains and helpfulness and attitude of staff on trains.

Information and managing service disruption

Passenger Focus **recommends** that DfT includes the following requirements in the specification for the new franchise:

- That compliance with the Association of Train Operating Companies (ATOC) Approved Code of Practice Passenger Information During Disruption and with the Good Practice Guides on provision of passenger information become requirements in the new franchise, verification of which will need a compulsory programme of audit and mystery shopping
- That a facility for passengers to receive SMS text alerts free of charge warning them if disruption will, or is likely to, affect their journey be a requirement in the new franchise – with an associated requirement to achieve a strong level of sign up
- That active co-operation be required with proposals developed by the industry Passenger Information During Disruption (PIDD) Steering Group to feed station customer information systems directly from Darwin (the national real time train running database).
- That a strategy be developed and implemented to improve NPS scores for “how well train company dealt with delay” and “usefulness of information during a delay”.

Keeping passengers on trains during engineering works

- Passenger Focus **recommends** that in the new franchise DfT requires the development and implementation of a strategy, jointly with Network Rail, that keeps passengers on trains during the maintenance, renewal and upgrade of the railway, and uses buses only as a last resort.

Ticket office queuing time and opening hours

Passenger Focus **recommends** that DfT includes the following requirements in the specification for the new franchise:

- That the existing obligation to make reasonable endeavours to comply with the maximum ticket office queuing times and the Schedule 17 ticket office opening hours be retained in the new franchise
- That the franchisee must report to DfT on both issues, station by station and period by period, throughout the franchise term. At stations where 'tickets for today' and 'tickets in advance' have separate queues, they should be reported separately.
- That there are contractual targets for NPS satisfaction in the area of ticket buying facilities at ICEC managed ticket offices.

3. Response to DfT consultation document

Objectives for the ICEC franchise

Passenger Focus is pleased to note that improving operation performance, improving customer satisfaction with value for money and accommodating growth in passenger demand are listed among DfT's objectives for the ICEC franchise. Passengers tell us that their top three priorities for improvement within the new franchise are:

- Punctuality and reliability of the train
- Value for money for the price of the ticket
- Being able to get a seat on the train

Base case specification

Passenger demand forecasts

The DfT consultation states "consultees are asked to identify any specific local factors that they believe might influence the future level of passenger demand on the ECML".

Passenger Focus asks that, in addition to use of standard industry techniques to predict future demand, DfT be aware of housing development plans across the route and particularly the likely impact of growth in the East of England and the East Midlands on demand for London commuting from Newark, Grantham and Peterborough.

Fares

The DfT consultation states "The Department would welcome views on how the fares structure in this franchise could be made easier to understand and whether there are any changes that would give passengers greater confidence in the fares system. Consultees are also invited to comment on opportunities to make better use of new technology."

Passenger Focus has made a number of recommendations in this area. These are set out in Section 2 c. above.

Revenue protection

The DfT consultation states: "Consultees are invited to comment on whether the Department should require any specific revenue protection measures to be implemented by the new franchisee".

Passengers who have paid their fare often tell us how frustrating it is to travel in the knowledge that you are subsidising somebody who has not, or that when you have paid a premium to travel First Class to find it is 'invaded' by those unlikely to hold First Class tickets. There is also the clear link between ticketless travel and propensity to engage in anti-social or criminal behaviour, not to mention that lost revenue might have funded further investment to improve services. Passenger Focus would therefore support targets within the franchise to ensure that all appropriate efforts are made to collect revenue, subject to any punitive measures towards those without tickets being reasonable. For example, not expecting passengers to queue for an excessive period to buy a ticket because ticket offices are under-staffed or Ticket Vending Machines out of commission. Passenger Focus has made a number of

recommendations about the maintenance and monitoring of ticket office opening hours which are relevant to this issue: they are set out in Section 2 h. above.

Initial service pattern

The franchisee will inherit the May 2011 timetable that East Coast is currently preparing to implement. Passenger Focus supports the proposed timetable's key objectives of increasing the number of seats available to and from London Kings Cross, primarily in the off-peak; reducing journey times between London and a number of destinations, principally Leeds, York, Newcastle and Edinburgh; and introducing a new direct service from Lincoln to London. However Passenger Focus is providing advice to the Department that, in the light of feedback from passengers and stakeholders, changes are needed to ensure the maintenance of good quality links between the East of England and the East Midlands and London, Yorkshire, the North East and Scotland.

Service pattern changes

The DfT consultation states "The Department would welcome views on the priorities for additional services and any other train service issues that consultees believe should be addressed in the early years of the new franchise, including any specific aspirations for earlier or later trains in the evenings or at weekends".

Passenger Focus has made a number of recommendations in this area. These are set out in Section 2 d. above, with further information in Passenger Focus's full submission to the Department.

Furthermore, DfT should require that on 24th, 27th, 28th, 29th, 30th and 31st December (when those days are not Bank Holidays) the first and last trains of the day must run at the times they would normally, except on 24th and 31st December when, although earlier than normal the last trains on each route must not be unreasonably or unnecessarily early. While many people take annual leave around Christmas and passenger volumes are lower, the franchise agreement must protect the interests of those passengers who are required – or choose – to work over the festive period.

Super Express Trains

The DfT consultation states "Consultees are invited to comment on the opportunities presented by the introduction of Super Express Trains and to identify their priorities for improving train services offered by the ICEC franchise. The Department also seeks views on the extent to which it should secure aspects of the longer term train service pattern through the franchise specification".

As additional paths and trains become available it will be important to tackle capacity and other issues that have emerged in the light of operation of the initial timetable. The opportunity to enhance service frequencies should be examined, as should the aspirations of towns off the core route to have through trains to London: Passenger Focus is aware of significant disappointment in Harrogate that various recent proposals for through trains to London ultimately came to nothing. Whether within the ICEC franchise or a new Thameslink Great Northern franchise, DfT should examine providing faster off-peak trains between London and growth towns on the Great Northern outer network, for example St. Neots and Huntingdon.

Catering

The DfT consultation states “The Department would welcome views on how it might protect an acceptable level of catering provision on trains whilst allowing the franchisee flexibility to meet emerging demands”.

Passenger Focus has made a number of recommendations in this area. These are set out in Section 2 e. above, including that whatever is agreed becomes a committed obligation within the franchise agreement. As with anything else within the franchise agreement, it would then be open to the operator to propose amendments in the light of emerging demand.

Stations

The DfT consultation states “The Department would welcome views on the priorities for improvements to stations within the ICEC franchise area, including any particular accessibility and security issues.”

Passenger Focus has made a number of recommendations in this area. These are set out in Section 2 g. above. In terms of accessibility improvements at particular locations, provision of step-free access between platforms at Peterborough other than via the former Post Office bridge should be regarded as a priority. Step-free access to platforms at Retford, including the low level platforms needs to be addressed.

Variations from the DfT base case specification

Length of franchise

Subject to DfT retaining its ability to take action if performance is unsatisfactory, Passenger Focus supports the proposal for a franchise of at least 10 years. Should a bidder propose a longer term in return for significant investment, this should be given serious consideration, subject to arrangements to remove a poorly-performing operator and for the franchise specification to evolve over time. Clearly, the longer the franchise, the greater the need for arrangements to ensure passengers do not suffer – in terms of price increases, cost-cutting and deferring of investment – if a train company is faced with an unexpected economic downturn. Passengers’ top priority for improvement on Intercity East Coast is punctuality and reliability. It would therefore be appropriate that any proposal for a franchise length significantly longer than 10 years should be focussed on delivering performance that is significantly better than today, clearly in partnership with Network Rail. This would need to be additional to improvements the industry is required to deliver already under the HLOS.



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