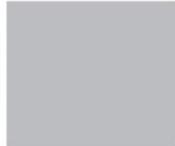
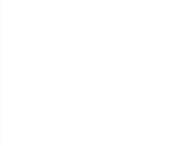
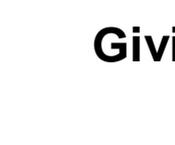
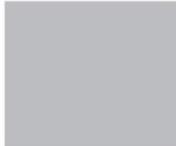
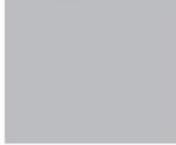
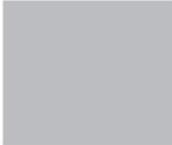
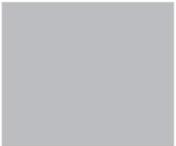


# Giving passengers a voice in rail services

April 2013



## Foreword

Major changes are underway to the process for awarding rail passenger franchises. The Government recently set out a revised timetable for franchise replacement and changes to policy, in response to the Brown Review, will also soon follow.

Government has committed to giving passengers a greater voice in the way franchises are awarded, extended and run. Passengers are now putting around two pounds into the railway for every pound of taxpayer subsidy – so their voice should be amplified. The collapse of the West Coast franchise negotiations and the subsequent media coverage has sensitised passengers to this process to a degree not seen before.

We welcome the commitment to re-building passengers' views into the heart of the process and to giving passengers an enhanced role in deciding whether a future new operator can get a franchise extension. It is crucial that effective passenger consultation and input takes place in the process of potentially extending existing franchises. Some of these decisions will affect passengers' daily travel for a long time – Cross Country will potentially get a 43-month extension. If current contract extensions are simply presented as a commercial 'done deal', they will not command passenger confidence.

These changes represent a great opportunity to really focus the rail industry on the needs of its passengers. To get a better understanding of what passengers wanted we did what we always do – we went out and asked them. This research was designed to get a better understanding of passengers' awareness of the existing franchising process and, perhaps more importantly, whether/how they can best contribute to the process.

The results are unequivocal. Passengers are often unaware that a franchise is being negotiated in the first place – for some the first they knew was when station announcements referred to the new company or the train livery changes. They did not feel that enough was being done to involve them in the process, and there was a very definite desire to 'have more of a say', in two main ways:

- priorities for the new franchise – influencing what goes into the franchise specification
- how well the operator is doing at delivering the promises made in its franchise bid.

This is a very simple message. Passengers want a chance to influence what services are being purchased on their behalf and then they want to hold the operator to account for what it actually delivers. Some passengers pay little attention to the company which operates their train service, and it was telling that many East Coast and Greater Anglia passengers in this research could not accurately remember the names of previous (quite recent) operators. Ultimately, it seemed to matter little to passengers who operated the service; they were far more concerned with the quality

of that service. Nor were passengers unduly concerned with the structure of the railway or questions of ownership. What mattered, again, was performance and delivery.

We see there being three distinct stages to passenger engagement. First, it requires good, meaningful consultation to find out what passengers want from their train company. This is not easy; distilling individual passenger aspirations into a coherent set of priorities takes real effort, but we think it worthwhile.

Clearly, in order to comment they need to know that such a consultation is underway in the first place. Passengers suggested a mixture of posters at stations and on trains, emails to passengers and surveys. If this consultation can also be extended to include people who do not use rail then so much the better. Passengers were relatively pragmatic when it came to the actual decision on who was to 'win' a franchise – they recognised that the commercial nature of such bids meant that they are unlikely to see, and hence judge, all the detail in advance. This makes it all the more important that past performance, quality and deliverability play a bigger part when assessing bids.

Second, it requires the winner of a franchise competition clearly setting out what it has promised to deliver over the length of the franchise. Passengers wanted to know why they have been awarded the franchise, and what its investment plans and passenger-facing commitments are. This can cover traditional 'hard targets' for things like punctuality and cancellations but also 'softer' commitments for passenger satisfaction.

And finally it requires proper accountability mechanisms. Having asked passengers what they want and set out their 'passenger promise,' passengers want to be involved in assessing delivery. This was both in terms of the train company providing regular progress reports back to passengers, and in actively gathering passenger opinions on performance - the best judge of a service being those who actually use it.

Passenger Focus looks forward to playing its part in all this. Our existing research on passenger priorities creates a good starting point when specifying franchises and there is plenty of scope to enhance the use of the National Passenger Survey in setting franchise targets and then in monitoring satisfaction with delivery. We look forward to working with the Department for Transport, bidders, and train companies.

For too long passengers have been the passive recipients of major decisions made on their behalf behind closed doors. The voice of the user and main funder of the railways should be radically boosted in a process that needs to be opened up to scrutiny. We are going to work with Government to make this a reality – the time has come for passenger power!

*Passenger Focus*

Passenger engagement  
and consultation:  
rail franchising

*Research report*

*February 2013*

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# 1. Management summary

## 1.1 Background and methodology

The controversy in autumn 2012 around the InterCity West Coast franchise competition highlighted the strong views that passengers can have about changes to franchises. As part of its remit to represent the needs and views of rail users, Passenger Focus has used the resulting pause in the rail franchise competition process to seek to better understand:

- The passenger perspective on the way that rail services are determined and monitored, and their understanding of the way franchises are awarded.
- How passengers might best contribute to the consultation process involved in these decisions.

Research was therefore conducted in January and February 2013 among different types of rail passengers using different routes, and with a number of rail user group representatives.

This report provides the findings from this research; a similar report will also be available covering equivalent research on passenger involvement in the provision of bus services.

## 1.2 Key findings

- Passenger Focus' previous position on passenger interest in rail franchises stands: ultimately, it matters little who operates a service, providing it is operated well, and as a service to passengers.
- Broadly, passengers accept the principle behind the franchise system and recognise the potential benefits of competition, enterprise and accountability.
- However, there are some principles which passengers feel are important to include as a part of the franchise model:
  - Franchise awards should not be made principally on a financial basis; passenger needs and opinions should be given greater weight in these decisions
  - Once in place, operators' performance should be regularly and stringently reviewed, including the passengers' perspective
  - Acting upon independent passenger surveys should be a part of an operator's contractual obligation
  - Requirements set as a part of a franchise should be genuinely and robustly enforced
  - At the same time, user groups would advocate that these requirements should only go so far, and operators should have more autonomy to run their business as a business. The user groups see this as further promoting innovation and enterprise to the benefit of passengers

- The past performance of the incumbent operator should be given consideration at the time of franchise renewal, alongside innovative proposals from new bidders.
- Passengers feel that their perspective should be taken into account in decisions which affect them, and they wish to be given the opportunity to engage in the franchise process – both in the lead up to franchise renewals and to help monitor the performance of operators once franchises are awarded.
- However the extent to which franchises are operated with passengers' needs at their core currently, is sharply questioned:
  - Currently, in passengers' eyes this does not happen at all; decisions appear to be made on a purely financial basis
  - The issues around the InterCity West Coast franchise competition in 2012 has tainted passenger perceptions of the system – seemingly confirming suspicions that decisions are made on cost and raising questions about the competence of those running the process.
- Passengers do not believe that they are consulted in any way currently, an opinion influenced by:
  - Little awareness of communication with passengers about their needs/opinions
  - Great cynicism that passenger views are listened to, even if they are given
  - Poor perception of communication more generally, in day-to-day use of rail services – there appears to be a culture of forgetting about the customer.
- While user groups are usually aware of some consultation, they often see this as inadequate, and purely 'lip service'.
- Communication, and response to passenger feedback, needs improvement generally, to encourage constructive contributions from passengers throughout the life of a franchise.
- Key points at which passengers would like to be engaged in the franchise process are currently being missed:
  - Letting passengers know that a franchise is up for re-tender
  - Inviting opinions and feedback on the current operator and level of service
  - Seeking the views of passenger representatives on franchise specifications before they are released to bidders, and seeking their view again on the bids when they are received
  - Letting passengers know who has been awarded a franchise, and why
  - Being genuinely open in obtaining passenger feedback once a franchisee is in place
  - Throughout these stages, it is crucial to respond to passenger feedback in order to encourage it in future and to promote a sense of transparency.
- In all of this, individual passengers wish to be given the opportunity to express their views, but user groups also have an important role in co-ordinating and

effectively expressing passenger feedback. As part of this, Passenger Focus could also perhaps do more to support user groups.

## 2. Background

The controversy in autumn 2012 around the InterCity West Coast rail franchise tendering process highlighted the strong views that passengers can have about franchise operators, and the effect of potential changes on service provision. There are also current discussions around the way that bus service provision is determined, with some local authorities seeking to set up Quality Partnerships or Contracts with bus operators.

Passenger Focus seeks to ensure that the needs and views of rail and bus passengers are considered as part of rail franchise agreements and decisions around bus service provision. It has used the current pause in the rail franchise competition process to seek to better understand:

- The passenger perspective on the way rail and bus services are determined and monitored, and the way contracts are awarded.
- How passengers might best contribute to the consultation process involved in these decisions.

Passenger Focus therefore commissioned the independent market research agency, BDRC Continental, to conduct research into these issues. Qualitative research was undertaken in January and February 2013, comprising group discussions among:

- Rail passengers making business and leisure journeys on the East and West Coast main lines.
- Rail passengers making commuter journeys on the Greater Anglia line from Colchester to London.
- Bus passengers making leisure and commuter journeys in Leeds and Cambridge.

Additionally, a number of representatives of rail and bus user groups were interviewed to understand how their perspective and approach might differ from or concur with those of individual passengers. These conversations were conducted as one-to-one, in-depth, telephone interviews.

A full breakdown of the sample interviewed for the project is provided in Appendix A.

This report describes the findings from this research which relate to rail passengers and their role in the rail franchise process. It begins (section 3) by looking at the interaction between passengers and train operating companies in a general sense, as this provides the context in which passengers could be engaged further in consultations around franchise renewals. Section 4 then covers the findings on passengers' current understanding of and views on the principle of the franchise system and the way it works, followed by findings on the points at which passengers could be involved in a constructive way, and how to involve them. Passengers were also asked to critique some alternative ways of managing rail franchises, and the outcome of this is given in section 5.

A separate report will be available covering the research findings in relation to bus passengers, and their role in determining the provision of bus services.

### 3. Interaction between passengers and the rail industry

#### 3.1 Passenger interaction with the rail industry, in general

While many rail passengers have keen opinions about the service they receive, this research has shown that a majority feel there is little interaction between those providing the services (meaning the train operators, government and other stakeholders such as Network Rail – i.e. the industry in general) and rail passengers.

This is driven partly by many passengers' day-to-day experiences of using rail services, which often do not seem to reflect an industry with a culture that values customer input. Specifically, when passengers experience poor service (for example when trains are late, or when rolling stock appears to be poorly maintained), this leads them to assume that they are of little importance to the service provider. These experiences are magnified when what appears to be 'anti-passenger' action takes place, such as when fares are raised disproportionately to incomes, and passengers themselves do not see obvious, beneficial investment as a result. Poor information provision on a day-to-day basis, for example when there are delays or cancellations, also confirms the feeling that communicating with passengers is not treated as a priority by the rail industry. In particular, those research participants who used trains for commuting (i.e. very frequently) felt that communication with passengers was poor: this indicates that even those who potentially have greater exposure to communication generally feel that it is inadequate:

*Personally, I feel unrecognised as a customer; I'm just a user in their eyes  
(Colchester – commuter)*

There is also very low awareness of organisations which could represent passengers' needs and views: virtually none of the participants in this research was aware of Passenger Focus, other transport pressure groups, or smaller rail user groups. In fact several participants suggested that such organisations ought to exist. Similarly, several queried whether a regulator existed or suggested that one ought to; passengers are familiar with regulators for other services, and many encounter these within their own jobs and lives, which can make the rail industry seem odd for the apparent absence of this:

*Don't they have Oftrain or something? ... They should make themselves known for one thing!  
(Leeds – leisure)*

*Don't they have something like Ofgen ... don't they have Oftrain?  
(Manchester – leisure)*

This indicates that, in addition to better communication with passengers by service providers, greater awareness of rail regulation and passenger representatives could also be beneficial, to reassure passengers that their needs have a voice. It is likely that moves to engage passengers in the franchise process will only be fruitful and seen to be credible, if passengers are also helped to feel more integral to the rail system generally in their day-to-day experience.

### 3.2 The implications of multiple, private operating companies on passengers

Most passengers are fully aware that different companies operate different rail routes. Many use more than one operator for different journeys (and in some cases for the same journey), and many are exposed to different operators' names when they hear announcements at stations and when purchasing tickets through retailers such as thetrainline.com or information hubs like National Rail Enquiries.

Some passengers pay little attention to the company which operates their train service, and it was telling that many East Coast and Greater Anglia passengers in this research could not accurately remember the names of previous (quite recent) operators on these routes. Ultimately, it matters very little to passengers who operates the service; they are concerned with the quality of that service. The lack of operator choice for most rail journeys also confirms, for many passengers, that who operates a service is relatively immaterial.

*I made a point of looking at the train on the way here [to the focus group] tonight in case I got asked. It was a Northern train but I wouldn't have known that normally.*

*It's just a train  
(Manchester – business)*

*As long as the service and the punctuality and the price is right, it doesn't matter what colour it's painted  
(Leeds – leisure)*

*Different headed paper, different colour train, new name – it's still the same service  
(London – commuter)*

*There is no point having a brand, as there is no competition. There is only Greater Anglia; we don't have a choice. Branding is for competition, and there is no competition here  
(Colchester – commuter)*

The public reaction when the InterCity West Coast franchise was initially awarded to First Group could be interpreted to indicate that the Virgin brand is an exception to this, and that in this case, passengers do have an interest in who operates the service.

Certainly, the Virgin (Trains) brand was spoken about differently by participants in this research, including both those who use the West Coast main line frequently and those who do not:

*The only brand that people care about in terms of trains is Virgin ... they are a real brand  
(Colchester – commuter)*

*There's a lot to live up to with those Virgin trains .... any company that wanted to compete would have a challenge on their hands really  
(Manchester – leisure)*

*On Virgin you get treated as a customer and you get treated well. With Greater Anglia, you need it but you feel exploited and treated as a user not a customer  
(Colchester – commuter)*

*[Virgin] have a brand rep[utation] to maintain, not like other train companies  
(Leeds – business)*

*The Virgin brand is so wide, that if they messed up on the trains that could have an impact on the profitability of other parts of the business  
(Manchester – business)*

*On that occasion ... I did have a choice of trains and I purposely booked Virgin because of the brand – it was Virgin  
(Leeds – business)*

*[Virgin] was the customers' preferred supplier  
(Leeds – leisure)*

The only other rail brand in Britain which is spoken about in a similar way is Eurostar.

However, while Virgin Trains has clearly established a positive brand identity, passengers are still certain that service delivery is the priority. As some of the comments above illustrate, Virgin Trains' reputation is still driven by good service delivery (across all Virgin's industries), and while some feel that Virgin Trains has set high standards in this respect, in passengers' view there is no reason why another company could not do the same:

*[Virgin] don't have a God-given right to have it again  
(Manchester – leisure)*

*Basically, [Virgin] are the best train services that are around, and if someone wants to match them, they'd have a right to [try]  
(Manchester – leisure)*

*[If the WCML operator were to change] you're still going to get the same trains, and presumably the same service  
(Manchester – business)*

## 4. Franchising and passengers' role

### 4.1 The franchise model of railway management

It is necessary to understand passengers' current familiarity with, and views on, the franchise system and how it affects them, before looking at the potential benefits of involving them in the way that rail services are determined.

#### Passengers' understanding of the privatised system and franchises

Virtually all of the passengers who took part in the research were aware that rail services are operated by private companies. Most were also aware of the basic principle that private companies compete for this right and that decisions about which company operates each route are made by the government – although this varied, for example:

*Companies will put in bids, and the government will have some sort of process to assess those bids  
(Leeds – leisure)*

*I just thought trains arrived, I didn't really think anything of it  
(Manchester – leisure)*

Passengers' knowledge of the franchise system comes mainly from intelligent guesswork, and ideas picked up in other areas of their lives, in particular through their own working lives. In particular, commuters and business travellers tend to have a greater understanding of the franchise system, than those using services less frequently for leisure reasons. This is partly because these people use trains more regularly and so are closer to the way rail services are managed, but they are also more likely to be business people, or exposed to business principles, and have a better understanding of the commercial element to rail services. The other key source of passengers' knowledge about franchises is through stories in the news and especially the stories around the InterCity West Coast franchise competition in 2012. For many, this controversy has been their introduction to the franchise system:

*Until the whole uproar with Richard Branson, I wasn't even aware of it  
(Manchester – leisure)*

*[I know] just what I heard in the papers  
(Leeds – business)*

#### Passengers' views on the franchise system

While there are several concerns, and while the InterCity West Coast controversy has certainly tainted some passengers' opinions, most passengers recognise potential benefits in the privatised model of railway management. The potential benefits they acknowledge include:

- competition (at the tender/award stage, but not once an operator is in place)
- the potential for losing a franchise being an incentive for improving and maintaining standards

- securing investment and encouraging innovation
- emphasis placed on providing good service to passengers

*I like the fact that you have to bid for it every so often, because otherwise you've got a situation where they've got a monopoly  
(Manchester – leisure)*

*I guess they have to prove they can deliver  
(Colchester – commuter)*

*You'd like to think there's a competitive edge to who wins the bid on a certain network line...so you feel you're getting better value for money or a better service or something that's continually trying to improve what it provides to passengers  
(Leeds – business)*

*We accept [that it brings] an element of private enterprise and competition  
(Rail user group representative)*

A small number of research participants made comments about the 'good old days' of the state-run railway, which was seen by some to be a more straightforward system. However, these were often expressed as a mild joke, and there was an understanding that 'British Rail' was unlikely to return. It is also worth noting that few participants could make genuinely informed comparisons between the privatised and state-run models, either because they did not travel by train when rail services were nationalised, or because their rail travel behaviour was different. Further, any debate around nationalisation versus privatisation was often symptomatic of a lack of full understanding of the privatised system, or a lack of evidence that it truly benefits passengers, rather than a genuine belief that the nationalised system was better.

This research therefore suggests that there is no overwhelming desire for re-nationalisation along the lines of the previous British Rail model. However, this is not to say that passengers are completely happy with the privatised model. Their key concerns are:

- Private train companies are perceived to be more accountable to their shareholders than to passengers – especially since passengers rarely have any choice about which operator they use – meaning that shareholders can (in passengers' perceptions) always be prioritised. Further, some passengers feel that if operators are obliged to pay shareholder dividends as well as a premium to the government, this will be a reason for higher fares:

*At the end of the day, if it's privatised, they've got shareholders, so shareholders have to be paid, and fares just go up and up and up, and it just goes back to shareholders instead of back into the service .... That's how I see it  
(Leeds – business)*

*They've got to make a profit so their shareholders come first  
(Leeds – leisure)*

- Note that some frequent travellers argued that they could be considered as shareholders themselves, and hence deserved more from train companies:

*Basically we are shareholders of the train system. Paying for a season ticket almost gives you the same thing as being a shareholder  
(Colchester – commuter)*

*We buy tickets so we are investing in the service.... [we] should be seen as shareholders not users  
(Colchester – commuter)*

- Passengers strongly suspect that franchise award decisions are based too heavily on financial reasons (reinforced by news reports on Richard Branson's initial criticism of the government's decision to award the West Coast franchise to First Group, who he felt had made unrealistic financial forecasts). User groups also feel that this is the basis for the majority (if not all) franchise awards:

*The impression given is that it's purely a financial decision ... and [the DfT] don't actually evaluate the quality of the product or the service changes offered, also the quality of the people that are bidding  
(Rail user group representative)*

- The competitive element to awarding franchises is only short-term, and competition ceases to exist as a benefit to passengers once an operator is in place:

*[Train companies] can be complacent once they've got a deal under their belt  
(Manchester – leisure)*

*There is only true competition during the franchise renewal period then there [are] 10, 15 years of no competition, which isn't good for passengers  
(Manchester – business)*

- Similarly, some user groups feel that operators should be given more autonomy once they have been awarded a franchise; currently these groups feel that the potential for enterprise is present only at the time of a franchise renewal but stifled thereafter. While this was an important theme for user groups, it should be noted that this was not a suggestion made by individual passengers. User groups feel that operators are often bound by (cost-driven) constraints set by the Department for Transport [DfT] which prevents them from running optimally as a commercial business; they feel more commercialism would benefit passengers because operators would be able to do more to make their services attractive to passengers:

*There's a vast difference between looking at – for any business – how to expand the business, whereas so often with governmental things, it's more a question of*

*“how can we cut costs” ... [and] the government is not set up for enterprise; the attitude is always control, which in fact negates enterprise  
(Rail user group representative)*

- Passengers themselves perceive that they have no say (or no representation) in shaping franchise specifications, in how the process is managed, or in which operator is awarded the contract:

*It's all government led and not a lot to do with passengers  
(Manchester – leisure)*

The last concern above – passengers’ distance from the franchise process – is particularly important, and covered in more detail below.

While ultimately the franchise system is accepted by the majority of passengers as ‘the way it is’, it is likely that more passengers would buy into the system more positively, and engage with the franchise process, if they:

- had a better understanding of the way the process works
- felt that their needs were better accounted for in decisions around service provision
- were presented with evidence showing how the privatised model had resulted in benefits for passengers.

#### **4.2 Passengers’ involvement in the process: the current situation** **Accessing consultations in advance of franchise renewals**

Passengers who have some awareness of the franchise system are often unaware, or uncertain, that public consultation is part of the process. When research participants described what they currently knew about how operators are put in place, few made any mention of passenger needs being considered, or any form of consultation. For example:

*It's bids isn't it ... [decided by] the government, the ones who made a mess of the Virgin bid  
(London – commuter)*

*Company put in a bid, saying what they will offer, send it to a government body and they choose the cheapest  
(Colchester – commuter)*

*Lines are owned by the government I think, but the train system isn't, so it's whoever can give the most money for them I think ... that's why they went to the other company  
(Manchester – leisure)*

The few who mention consideration for passenger needs within the franchise process are an exception – and clearly often guess or assume that this is part of the process:

*I'm guessing [the winners are] the ones that say they will provide more for the consumer...they will do this, that and the other  
(Manchester – leisure)*

*I think the company might need to show what it can offer above and beyond the set criteria such as how they might develop infrastructure etcetera  
(Colchester – commuter)*

Rail user groups are naturally more informed than individual passengers, and usually know that consultations take place, and how to contribute to them. However, user groups' experiences indicate a wide variety in the level of engagement that they manage to achieve. This ranges from groups who secure or are invited to numerous face-to-face meetings with different stakeholders and bid teams who actively seek their views, to groups who find it more difficult to get their views heard or to get access to consultations:

*As a user group it's not always been very easy because it's not statutory that the [group] .... is consulted ... [and] it isn't necessarily easy to know when is the most effective time [to contribute]  
(Rail user group representative)*

*If you've got to be [in London] for 9am, it's ... premium fares. When it's voluntary money you've really got to question whether [you can be involved]  
(Rail user group representative)*

### **The current perceived role of public consultations in franchise renewals**

Many passengers believe that financial considerations are the most important factor in awarding franchises, and specifically that this is prioritised over passenger needs:

*I'm well cynical about that sort of thing .... To me all the other stuff [about consideration for passenger needs] is just to appease, to give that sense that we matter .... At the end of the day it's about the money  
(Leeds – business)*

*[The] railway is a cash cow; they rent railways that people sit on – an easy way to make money really  
(Colchester – commuter)*

*It's a total contradiction; they will just go with the person that can pay the most, even if they can't do a great job  
(Manchester – business)*

*I personally feel the whole process is probably much more about cost than delivery  
(Colchester – commuter)*

This is certainly a concern shared by the more informed passengers who run user groups:

*The feeling I think in general is that whatever you say gets lost, because their overriding concern is how much money you're going to give us if we let you run it or how much can be knocked down on the subsidies  
(Rail user group representative)*

In addition to concerns about the priority given to cost over passenger needs, there is a great deal of scepticism among passengers more generally as to how bids are assessed. There is a strong sense that the system lacks transparency which can lead to suspicion about how decisions are made, and this has been fuelled further by the controversy around the recent award and then withdrawal of the InterCity West Coast franchise:

*It seems cloak and dagger, we don't know when it takes place, who the players are, what they offer, if they deliver what they promise – it's not transparent at all  
(Colchester – commuter)*

*[After having the franchise process explained] Is that all done behind closed doors, that whole process? ... I mean I don't know, I'm wondering if it's my ignorance or the fact that it happens behind closed doors?  
(Leeds – business)*

*I think what's happened with the West Coast Main Line, I mean with Branson and whoever else it was, I can't remember .... That's kind of tainted it a little bit, because you become a bit suspicious of what's going on in the background  
(Leeds – leisure)*

*I felt the West Coast Main Line incident wouldn't have happened if there was more honesty and transparency with the franchise system  
(Colchester – commuter)*

During the group discussions, it was explained to research participants that the franchise process does include a public consultation which is used to partly inform the specifications which go to bidders<sup>1</sup>. Given passengers' perceptions and beliefs about the franchise system, some were pleased to hear this, but many were surprised and found it rather counter-intuitive that there could be a public consultation of which they were unaware. It is also important to note that the existence of a consultation period was news to most of the participants, and this fact in itself confirmed the perception that the system is extremely lacking in transparency.

*It's better than I expected...It's the right way around, asking for a passenger viewpoint  
(Manchester – leisure)*

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<sup>1</sup> See appendix for the discussion guide used for the focus groups, including the explanation of the franchise process given to participants

*It's not publicised if they do. There may be consultations with passenger groups, but not aware otherwise. I've never come across anything  
(Manchester – leisure)*

Further, many passengers found it difficult to believe that a consultation takes place, either because they had not been consulted before, or because they had not seen evidence that passengers had been listened to as part of previous franchise renewals (or again, because the InterCity West Coast example indicated that other factors were prioritised in the decision):

*[Referencing CrossCountry replacement of Virgin Cross Country,] I think that most people who use that ... service would say that there are not enough carriages during peak time...Now that's still carried on when CrossCountry took over .... I imagine that would have been a big sore point if they had engaged the passengers  
(Leeds – business)*

*I have my doubts about that because there's no way there'd be hikes in fares at the rate they're going if the passengers really had a proper voice  
(Leeds – business)*

#### **4.3 Passengers' involvement in the process: the ideal future situation** **The importance of passenger consultation**

Although there is felt to be little consultation with passengers to help inform franchise decision-making currently, there are clear arguments for making more of this:

Firstly, the lack of interaction between passengers and the rail industry allows 'space' for other factors to foster unhelpful assumptions and opinions. Without clear, easy to access information to ensure passengers understand franchise processes correctly, they are influenced instead by factors such as:

- negative news headlines (the InterCity West Coast controversy in 2012 being the prime example)
- fare increases and poor service, suggesting to passengers that the industry does not care about them
- doubts around the government's ability to manage contracts in other industries, or doubts around government competence more generally
- the (apparent) lack of focus on customer service, compared to other industries.

Secondly, passengers feel that they should be informed about and consulted on franchise renewals (or at least that a passenger representative should be consulted on their behalf – which they therefore need to be aware of):

*I would like something honest, a proper consultation where people are asked questions and the results are displayed for people to read  
(Colchester – commuter)*

*There's lots of space for posters on trains – if there was somewhere you could email...  
(Leeds – business)*

*I think people are interested in putting their views forward especially about a train  
service they use everyday  
(Colchester – commuter)*

Note that a minority of research participants assumed that they would be consulted on which bidder is actually awarded the franchise, rather than on aspects to inform franchise specifications. When there could be any danger of this interpretation, in literature or any kind of consultation invitation, it may therefore be necessary to clarify this.

Rail user groups strongly concur with the need for the passenger perspective to be given greater weight in franchise decision-making than it is currently:

*I know we might be a pain in the backside, but I think any sensible operator should  
actually listen to all people because even the pipsqueaks will have something valid to  
say  
(Rail user group representative)*

*We feel, in the tendering, we're being ignored .... Everyone is equal, but some seem to  
be more equal [than others]  
(Rail user group representative)*

*I think we're missing an opportunity to engage people in this process; the franchise  
process seems very remote  
(Rail user group representative)*

The main issues which passengers would like to be consulted on tend to be those which have also been established as priorities in other research, and include:

- punctuality (this is sometimes assumed to be a given, i.e. something that all operators should treat as a priority and something that does not need passenger input, however it is a subject which some user groups have campaigned upon specifically)
- frequency of services
- crowding and availability of seats
- cleanliness and overall train upkeep and environment
- quality of rolling stock and suitability for the line
- fares, including both actual prices, and wide differences in prices and confusing fare structures
- customer service, including the attitude of staff on stations and trains, but also in terms of complaint handling
- provision of information and communication
- quality and facilities at stations.

While individual passengers talk about these issues in broad terms, user groups are likely to make specific requests and suggestions for improvements in these areas. User groups also frequently take a wider perspective on the importance of transport services to local economies, or the importance of making public transport more attractive for environmental reasons:

*We're working on trying to get the local council engaged ... because you're not going to solve unemployment issues unless you get good transport*  
(Rail user group representative)

### **Ensuring that passenger consultations are worthwhile**

Although they feel that their views need to be taken into consideration, many passengers worry that even if they are given the opportunity to contribute, their contributions may not be taken seriously or actually influence the way that services are run. This indicates that it will be important not only to invite passenger input, but to respond to it, and let passengers know how their views will be incorporated:

*We can put forward as much info as possible but what says that they have to listen. Is there any commitment by the companies to meet the wishes of the customers?*  
(Colchester – commuters)

*You just think as a person, what is the point in me saying something? Because, you know, surely you've got to have thousands of people*  
(Leeds – leisure)

*We've had surveys at our station...but we had quite severe timetable changes ... and no one I know had asked for that, it all appeared underhand and not in our interests, but in other peoples' interests*  
(London – commuter)

User groups' experiences confirm the suspicions of individual passengers that even if passenger viewpoints could be sought more fully, they may not be genuinely listened to. All of the user group representatives who participated in this research described their previous contributions to franchise consultations, and other more on-going feedback, which indicated that this has been the case:

*We did send the consultation in, but we didn't receive any feedback .... They could have come back with questions really*  
(Rail user group representative)

*The Department for Transport says, "That's the responsibility of the operator" and the operator turns round and says, "It's the responsibility of the Department for Transport" – we've had that*  
(Rail user group representative)

*We wrote to [members of the council] and the leader of the council virtually told everybody not to reply .... They can't accept any sort of criticism .... And when we send it of course [we recognise] ... that you can't make a judgement unless you hear both*

*sides of the story, but if they're not prepared to give any [response], I'm afraid you can't help but be suspicious*  
(Rail user group representative)

*The DfT gave a presentation about what they proposed .... While they were quite welcoming, they gave the impression to me that this was a bit of a fait accompli, and "we're going through the consultation process because we have to, not because it's an early stage where you're really going to change things" .... Once the discussion started they became a bit defensive: "you can't do that because", which puts the colour on the consultation*  
(Rail user group representative)

Given the cynicism of many 'ordinary' passengers, it is likely that user groups will need to continue to play an important role in ensuring that passenger views are given, and heard.

However, because user groups themselves can struggle to provide their input and then to know the outcome of their consultation contributions, they may also benefit from some specific improvements, namely:

- Increased support from organisations like Passenger Focus (which some groups feel has not always been fully forthcoming – especially since the last reorganisation):

*We're not a large organisation, there are a number of volunteers who will pursue these things and try to represent people's views...but we don't have a huge staff who are constantly writing letters*  
(Rail user group representative)

*I think there is a need for much more communication between user groups and Passenger Focus*  
(Rail user group representative)

*We haven't had very much [of] what I would call positive response from [Passenger Focus]. We have had them come to talk to us and all the noises were right, but nothing really happened*  
(Rail user group representative)

- Better lines of communication to be established within local authorities/ passenger transport executives (PTEs) and the DfT in particular (as opposed to within operating companies which are generally much better at interacting with user groups), and more attention and credibility to be given to passenger needs (via user groups) within these organisations:

*We have excellent relations with [TOC 1], and very good relations with [TOC 2]*  
(Rail user group representative)

*[We sent] our most recent magazine to every member [of the local Transport Executive], with a letter from me asking three or four pertinent questions ... but out of 33 I've had two replies  
(Rail user group representative)*

*The DfT have come out with a few howlers, such as [a website] ... actually said that the Cumbrian Coast line was in Yorkshire!  
(Rail user group representative)*

#### **4.4 How to communicate with passengers regarding franchise decision-making**

Throughout the group discussions, passengers identified a series of points at which they (either themselves or in some cases through a passenger representative) would like to be involved in the franchise process:

1. Passengers wish to know that a potential change of operator is coming up, and that a consultation will therefore be opened
2. Passengers wish to be given the opportunity to feed back their views on the existing franchisee in order to inform the specification and decisions for the next franchise, and to express any further requirements for the next franchise period
3. This feedback needs to be heard, and passengers expect a response
4. Once a specification has been established, passengers would like to know that a passenger representative is given the opportunity to review it in order to see that passengers' needs have been interpreted correctly and given appropriate consideration
5. When bidders respond to the specification, passengers would like a representative acting on their behalf to review the bids in terms of how well they have addressed passenger needs, and for this review to help inform the final award decision
6. When the franchise is awarded, this should be publicised, along with the reasons for the decision; this promotes transparency and shows passengers what is expected of the operator to enable them to monitor and hold operators to account
7. Passengers wish to contribute to the on-going monitoring of an operator's service delivery, after the award of a franchise
8. Passengers wish to know the outcome of this on-going feedback and to see its influence.

Some passengers assume that points 2 and 7 above already take place, and a small number of those researched had actually come across surveys, feedback forms, or other ways for passengers to express their views (such as complaints systems).

However, passengers believe, rightly or wrongly, that the rest of the stages above, including responding to feedback when it is given (points 3 and 8), do not happen at all. Each of the stages is covered in more detail below.

## 1. Publicising an upcoming franchise renewal

Making an upcoming renewal and associated consultation widely known about is a fundamental first stage. Without this, all other passenger feedback is likely to be restricted to those with a very active interest (e.g. user groups) and those with funds and the facility to run surveys and exercise influence within the industry (such as Passenger Focus, but also bidders for franchises, who may lack impartiality).

Currently, however, individual passengers are often entirely unaware of when franchises are coming to an end and a change of operator could be possible:

*They should announce when a franchise is coming to an end so we know when to contact the relevant people  
(Colchester – commuter)*

*The first point in the process should be to tell passengers a change is imminent  
(Colchester – commuter)*

*[They should say] this train company is coming to the end of the contract and the whole [refranchising] process is about to start, so therefore if you have any opinions on the current provider, good or bad things  
(Leeds – business)*

*They should advertise it a bit more when it's coming to an end so if people want to contribute they can  
(London – commuter)*

The user groups which participated in this research reported that they always knew when franchise renewals are coming and consultations are opened, because they take an active interest and often look out for or subscribe to DfT announcements. However, user groups agreed that upcoming franchise renewals should be made more widely known to the general public.

Passengers felt that notification of upcoming franchises and open consultations should be made via 'mass media' channels. For example, prominent posters announcing the fact should be placed at stations and on board trains, and the story should be covered in the local news (and for some franchises such as the main lines, in the national news). A small number also suggested that TV advertising could be used, although this may not be feasible given the budget required.

## 2. Give passengers the opportunity to express their views

Research participants felt that their views should be sought at the early stages of franchise consultations, in two strands: feedback on the incumbent, and on future requirements. These two strands require slightly different approaches to gathering passenger opinion.

Passengers feel the following will need to be involved in order to collect their feedback on the incumbent franchisee:

- A thorough review of complaints made during the course of the existing franchise. Passengers suggest that complaint statistics should be reviewed, i.e. whether the number of complaints and speed of resolution has increased or decreased, as well as the nature of complaints, i.e. whether the same themes are raised consistently to highlight a specific problem
- Surveys among passengers
- Face-to-face interaction between passengers and operator managers/others involved in the franchise process, for example ‘meet the manager’ sessions. The user groups who participated in this research were particularly in favour of face-to-face interaction and ‘on the ground’ experience of rail services, to complement more robust but potentially ‘dry’ statistics on passenger experiences:

*There is something in actually going down, and using the service, as a customer ... and that goes sometimes I think for some of the railway managers and also the politicians*  
(Rail user group representative)

Passengers suggested that franchisees should be responsible for proactively collecting and analysing passenger feedback on an on-going basis, at their own expense – in fact, many passengers and user group representatives felt strongly that passenger feedback should be made a franchise obligation for operators. However, in the lead up to a franchise renewal, passenger feedback should also be sought and reviewed by an independent body as well, in order to ensure impartiality.

Passengers feel that similar approaches are important for understanding passenger needs for a future franchise; these include reviewing passenger feedback on the existing franchisee in order to inform future requirements, and conducting bespoke surveys. These steps should be taken by those who will ultimately make the decisions (rather than the operators themselves), and/or by independent bodies such as a passenger organisation or a regulator. Passengers and user groups also suggest that non-users should be consulted in order to inform specifications for franchises, as there may be specific barriers to their use of an incumbent’s services which could be removed as part of the next franchise.

Rail user groups also have an important role to play in expressing passenger views, both about an incumbent operator, and ensuring that passenger needs for a future franchise are heard. User groups can aid passengers by:

- Co-ordinating and facilitating passenger feedback (where individual passengers may not know how or where to make their views known, and may lack sufficient influence to be heard)
- Making the effort where many passengers may lack the inclination, ability or time to get involved

- Getting heard by operators in particular, due to an established relationship with personnel within the operator's company (user groups often feel that they and operators enjoy a mutual respect, even if this is not the same for local authorities and the DfT)
- Expressing needs in a more credible and constructive way due to a more informed perspective – user groups can often ask for the specific, tactical measures to help bring about more strategic improvements (such as 'more frequent trains') as desired by individuals. This makes user groups (and for the same reasons, transport pressure groups such as Passenger Focus) particularly important in terms of communicating the future requirements of passengers, for a subsequent franchise period:

*We wouldn't know enough about it ... the public should be involved, but also with more educated people .... It's got to be a wider audience than just us  
(Manchester – leisure)*

In addition to their obvious role in promoting passenger needs, rail user groups also see themselves as useful to industry players, in helping them to collect passenger views:

*You could recognise the role of user groups, and say [to passengers], if you're interested in passing comment, please [go] through your user group .... There's a voluntary organisation which doesn't cost the government any money, which could be used  
(Rail user group representative)*

*The thing we can add is that we have an intelligent interest in the subject matter, whereas ... councillors or officers may not use it so they don't have the same level of knowledge  
(Rail user group representative)*

*[User groups] are knowledgeable ... about things that happen in their own particular area .... Whilst [Passenger Focus] have certain functions to carry out, their knowledge of individual issues can be sparse .... There's a resource of knowledge there that Passenger Focus could use  
(Rail user group representative)*

### **3. Listen and respond to passenger feedback**

Some passengers assume (or hope) that their feedback is already sought, both on an on-going basis, and in the lead up to franchise renewals. However, they have little evidence for this and, more importantly, little evidence that such feedback is genuinely listened to. This can lead to a disinclination to 'bother' to fill in surveys, pursue complaints, or engage in other ways, as well as confirming any latent suspicions that passengers are a low priority in decisions around railway management.

*Nothing much changes, there is no closing the circle, you fill in the survey but you never see the results or any changes  
(Colchester – commuter)*

*There should be channels of communication advertised. I've never seen anything like that in stations. Virgin used to display performance data – it's good PR but it's also useful  
(Colchester – commuter)*

*In terms of these consultations, how much of this could be made transparent? For you as a user to have confidence that the best decision is being made, it would be in the government's interest to say that we've made this decision based on the company providing their customer feedback, or that we've done our own independent surveys  
(London – commuter)*

*If [they're] asking people they need to publish results of questionnaires – such as 70% of people said this and this is what we intend to do about it  
(Colchester – commuter)*

Passengers wish to see how their views have been taken on board when they have provided them, and this is likely to encourage further feedback in future (both positive and negative). It could be argued that by encouraging passenger feedback in this way, feedback could also become more constructive as passengers begin to see how they can make a difference.

Passengers suggest that response to their feedback could be given via posters at stations or on board trains, or emails to passengers on a database.

#### **4 and 5. Review specifications and bids from the passenger perspective**

Some passengers were keen for this to happen as part of the franchise process, and user groups in particular felt that this was important and some regretted not being able to do this in previous competitions.

User groups are well aware that there are issues of confidentiality around reviewing the bids themselves, but feel that there needs to be a better balance between confidentiality and transparency than there is currently. They saw little reason for not allowing user groups to review the actual specification documents before they are released to bidders (ideally, user groups would like to have sight of these specifications themselves, but some concede that an official passenger representative such as Passenger Focus might fulfil this role on their behalf). User groups also suggested that there could be ways around the confidentiality of bids, such as anonymising them, in order that passenger representatives could contribute to reviewing the bids themselves.

#### **6. Publicise award decisions**

Currently, passengers often do not realise that a new franchisee is in place until they encounter it when they arrive at a station to catch a train. At best, this can foster apathy by confirming that decisions around the management of services are taken at some distance from passengers, and at worst it can encourage suspicion about the reasons

for the franchise award, i.e. that decisions are made for financial benefit to the government or even occasionally that mistakes, favouritism or dishonesty are involved. Publicising the award is therefore important for demonstrating transparency.

Additionally, just as publicising the existence of a franchise competition at the start (point 1 above) is crucial in order to set up the opportunity for passenger contribution, publicising the award itself sets up expectations that passengers will be able to monitor performance and therefore serves as an invitation to do so. It also lets passengers know what they can expect from a new operator, which is a positive start to a franchise for the passengers, as well as indicating which aspects of the service passengers can monitor in particular.

Specifically, passengers wish to know:

- that a new (or the same) operator will be running their trains
- who this operator is
- for how long they will be in place
- why they have been awarded the franchise – it is worth noting that passengers can be open to the reason being principally financial, providing there is a logical rationale. Most passengers are also taxpayers, and so they can be prepared to accept that a financial decision might be the right one:

*If that was transparent ... what the financial gain was for the government, would that be a big issue?  
(Leeds – business)*

*It could be [that] the government – in a recession – just gives it to the highest bidder .... It could be argued ... that they'd look at the benefits to the taxpayer and say well we're actually bringing more revenue in, to keep Average Joe's taxes down  
(Leeds – business)*

- what the franchisee's investment plans, commitments and requirements are, so that accountability can be established as important from the outset
- what measures are in place to penalise poor performance.

Like the announcement that a franchise competition is imminent in the first place, passengers feel that the announcement about the award decision should be made publicly – in the news, and in prominent places such as posters at stations and on trains.

## 7 and 8. Involve passengers in on-going service monitoring, and respond to their input

As highlighted by some of the comments reproduced earlier in this report, passengers are concerned that once a franchise has been awarded, the operator could become complacent due to the lack of immediate competition. They therefore feel it is important that operators are monitored throughout the life of their franchise, using both official statistics such as punctuality performance (passengers have little knowledge of these, and are sometimes sceptical that such information is used effectively) and passenger feedback.

*Who actually checks that the company is doing the right thing and doing what they should be?*

*(Manchester – business)*

The ways in which this passenger input can be facilitated are covered under point 2 above and, as detailed under point 3, it is crucial to passengers that they see some constructive outcome as a result of their feedback.

### General principles for gathering passenger opinion

Below we describe some key principles which can be applied to all of the above points together with suggestions made by passengers in relation to engaging them in the franchise process. Relevant to all of these principles is a need for more openness generally within the rail industry:

- Make it easy for passengers to take part. Both individual passengers and user groups conceded that many passengers are likely to lack the ability or inclination to share their experiences and opinions. As such, it is important that operators and other stakeholders actively invite feedback in a prominent way (rather than expecting passengers to find ways to express their views for themselves) and to make sure that the task is not onerous or difficult for passengers. Importantly, even if passengers do not wish to take part in surveys or provide other types of feedback, it is still critical that they know they have the opportunity to do so if they so wished.

*If I was there and I had 20 minutes, then yeah, I'd give them 15, 20 minutes [at a meet the manager session] ... but I wouldn't go out of my way*

*(Manchester – leisure)*

*I'd be more inclined to do something now I know it happens*

*(Manchester – leisure)*

- Invite passenger feedback frequently in order that it becomes the norm. This is important for two reasons:
  - Firstly, it is likely that passengers will contribute their views more often (including both positive and negative points) if feedback becomes more central to the culture of the rail industry.
  - Secondly, it will create a greater sense of transparency in the industry. Many research participants commented that it is very common in other

service industries to be asked for feedback, for example via a comments slip at the end of a meal or a hotel stay, or via a survey invite on receipts given out by many retailers across different sectors. Because this is not often done in the rail industry, it can make the rail industry seem ‘behind the times’ and much more ‘closed’ in comparison.

- Demonstrate that feedback is taken on board, and even if not all of the wishes of passengers can be addressed, accept that passengers wish to see a response:

*There has to be a carrot though. If we're to get involved in that and give our views, we have to know that we're being taken seriously  
(Leeds – leisure)*

- Consider incentivising passengers to contribute their views. This may involve financial incentives – vouchers for example – although arguably, a genuine expectation that feedback will be taken seriously can constitute an incentive in itself:

*Ultimately your incentive is better service .... If you had the opportunity to say something and make a difference ... that would incentivise me  
(Manchester – leisure)*

- Many suggest that the act of gathering and listening to passenger feedback should be specified as a franchise requirement in itself:

*One of the measurable targets that the company has to achieve is seeking feedback and acting on feedback during the 15 years  
(Leeds – leisure)*

*Surely that's part of the service that they're bidding to provide, so surely they should take the view of the passengers as part of the award criteria  
(Leeds – business)*

- As to who is involved in gathering and facilitating passenger feedback, the research indicates that there will be benefits from a range of stakeholders playing a role, thus delivering a rounded understanding of passenger needs and preferences:

- Passengers see a clear need for independent organisations to be involved in gathering and using feedback:

*It definitely needs to be ... independent. .... If it comes from the company they'll fudge the figures, if it comes from the government they don't want to look like idiots for giving [the franchise] to someone who's not meeting targets  
(Leeds – business)*

- In addition, for reasons of transparency, passengers feel that operators and the government (meaning both central government and local

authorities/PTEs) should also take responsibility for understanding passenger needs.

- As described earlier in this section, user groups can also have an important function in canvassing passenger opinions– and getting these listened to.

#### 4.5 Observations from the public reaction to the West Coast competition

One of the factors which triggered this research was the public reaction to the DfT's initial decision to award the InterCity West Coast franchise to First Group, and the subsequent extension of Virgin Trains' operation. It is worth considering why this generated such a strong public reaction, as there are several learnings that may be taken.

In contrast to other franchise competitions, this example achieved much public attention. The group discussions with passengers indicated that this was because it was atypical in a number of ways:

- As discussed earlier in this report, Virgin is a brand, and not only a train operating company, meaning that its interest is wider than the rail industry in the first place.
- Richard Branson is generally well-respected (even if not universally liked), meaning that when he raised initial questions about the way the franchise award had been decided, many people listened – he is not easily dismissed:

*I would err on the side of Richard Branson because he's got more nous than the people making the decision  
(Manchester – business)*

*He's got a good name, hasn't he – Branson  
(Leeds – leisure)*

*[Richard Branson] is very astute ... so why would he be so far different [from the winning First bid]?  
(Manchester – leisure)*

*I don't know if you all remember when Richard Branson first brought the Virgin train out .... I was so excited to go on a Virgin Train for the first time, because ...  
[he] had a good reputation  
(Leeds – business)*

- Many participants in the research felt that too little weight had been given to the performance of Virgin's rail operation – many felt that it was generally a good service and therefore found it somewhat illogical that that Virgin could 'lose' the franchise:

*I think a lot of the customers were satisfied with the service, and from what I know ... it's not a bad line actually... I've not used it a lot but I think it was a good line so  
I expect the passengers were fairly satisfied with the service  
(Leeds – leisure)*

*I didn't see a reason why they wouldn't [win WCML again]  
(Manchester – leisure)*

- In this case, the general public did receive plenty of communication about the franchise award – partly driven by Richard Branson – and were actively and publicly encouraged to put forward their own views, via platforms including social media and the government's official e-petition facility.
- Compounding this further was the flaw which was ultimately found in the system, which created even more (negative and sensational) headlines.

The following observations can also be made based on passengers' discussions about the InterCity West Coast controversy:

- Passengers clearly are interested in franchise decisions which affect them, and can become engaged – but noise around the franchise renewal is necessary to draw their attention to the process.
- Virgin may be an unusually strong brand, but undoubtedly many passengers do have a positive opinion about the service the company provides. While accepting that the company has no automatic right to keep the franchise, passengers clearly expect more weight to be given to an incumbent's (positive) performance record (if this is partly measured by passengers themselves) than they believe is currently the case.
- The public reaction to the InterCity West Coast franchise competition illustrates that passengers can recognise some of the potential benefits that private operators bring to the railways; in particular:
  - Business/commercial astuteness
  - Efficiency and momentum (less bureaucracy)
  - Technical expertise.
- This competition has tainted – even damaged – some passengers' view of the way the franchise system works, creating some mistrust of the government in making such decisions in the future. This confirms the critical need for greater transparency around why a franchise is awarded to a specific operator, and in the process as a whole.

Of course, the Brown Review has since endorsed the basic principle of the privatised franchise system, and has identified some positive steps for improvement. However, given passengers' general need for more and better information, and their damaged confidence in relation to franchising specifically, this research also indicates that it is crucial that passengers know this.

## 5. Passenger views on alternative franchise models

As part of this research, we asked passengers and representatives of rail user groups to critique some variations on the way that franchise renewals are managed. While the research cannot dictate which of the variations is 'best', the participants' discussions provide some further principles for consideration. A description of each of the variations is given within the discussion guides included as an Appendix to this report.

### Automatic contract renewal

This variation on the franchise renewal process generated mixed views. Both passengers and user group representatives saw some potential benefits:

- It increases the potential for continuity, allowing operators to invest in the service over the long term:

*If it is going genuinely well, customers are happy, you're turning some sort of profit, and you're looking long term then you will invest in a bit of rolling stock, and the customer benefits again  
(Leeds – leisure)*

*If you're going to put a lot of money in you want at least some prospect of getting some of it back – it's quite simple really, people don't work for nothing!  
(Rail user group representative)*

- In theory, less resource will be used on the administration of a franchise competition.

Several passengers also suggested something along the lines of this variation, when they expressed surprise that Virgin Trains had not retained the InterCity West Coast franchise – they felt that the performance of an incumbent should be given greater weight as part of the award decision.

There were also some concerns, however:

- There is potential for complacency, with an incumbent doing only the minimum to ensure it retains a franchise:

*The difficulty comes if it's in the mediocre range, I don't think it should be automatic, but I think it should be made quite clear that the better they do, the more likely they are to get the renewal  
(Rail user group representative)*

*The danger is that you might get complacency but on the other hand you'd get away from this sort of dead period of the last 18 months of the franchise ... when you couldn't persuade them to invest in [for example] an extra waiting room  
(Rail user group representative)*

*What incentive would the company have to keep up with the times, develop new ideas, do the R&D, if they knew, well, “if I keep on doing what I said I’m gonna do [it’ll be fine]”  
(Leeds – business)*

- The last comment above also illustrates passengers’ keenness to promote innovation in the rail industry. In addition to an incumbent operator having the potential to become complacent, some passengers also raised concerns that this model could stifle innovation from elsewhere, particularly from smaller, newer operating companies.
- Some passengers and user groups were also worried that this model does not necessarily protect against decisions being made mainly for financial reasons. They would be keen to see stringent criteria in place, to determine whether an incumbent operator merited an automatic ‘roll-over’, and stress again that these criteria must include the passenger view of the operator’s performance:

*Performance targets would have to be consistent and regularly reviewed and checked and there would be more need for involvement with passengers and survey feedback to ensure they were doing everything properly  
(Colchester – commuter)*

*My concern with that would be that if it was the Department deciding when it would roll over they would make the decision on financial grounds rather than quality grounds. You could then get a decision where company A had met all their financial targets, paid the money back to the government they said they would but their service was absolute rubbish .... I think that the threat of losing the franchise is a big factor in keeping their nose to the wheel .... I would be a bit cautious about automatic roll-overs  
(Rail user group representative)*

### **Indefinite franchise periods**

This variation was felt to be a weaker version of the ‘automatic contract renewal’ model, and so it was rejected by the majority of passengers and user groups.

Participants raised similar concerns about the potential for complacency and stifling of innovation. Generally there was a consensus that the opportunity for review and for the proposal of new ideas was necessary at some defined point.

*There might be something better that comes out with technology – a new innovative company, and you’re missing a trick because you’re never going to give them a chance  
(Leeds – business)*

*I don’t think that’s a good idea because the danger is they could get a bit blasé  
(Leeds – leisure)*

## Franchises with frequent (e.g. 5-year) 'break clauses'

A small number of participants were concerned that this model could allow operators to pull out of franchises early, causing disruption to passengers. However the majority were in favour of the principle of frequent review with the potential for the ultimate penalty of a franchise being withdrawn. Several benefits were seen:

- Frequent reviews helps to 'keep operators on their toes' and provides reassurance that poor performance will not be allowed to continue:

*It's a chance to prove yourself, but if you don't, you're out  
(Leeds – business)*

*I think it gives that comfort as well, knowing that if they're regularly falling down on the same stuff over and over, you can get rid of them a bit quicker and someone else can come in  
(Leeds – business)*

- As part of this, some passengers expected that operators might seek to make 'quick wins' in advance of every 5-year review, i.e. that they would make small, frequent improvements in order to strengthen their reputation, and this would be of benefit to passengers.
- More frequent review points provide potential for passengers to be more involved more often. More regular reviews also mean the franchise system will become more top of mind, leading to it being better understood and more transparent.

## Devolution

Many passengers and user group representatives saw a clear potential benefit in devolving some responsibility for rail franchises to PTEs and local authorities rather than managing everything from central government. This is the proximity of these authorities to local services, both in terms of geography, and in terms of their having a (potentially) better understanding of local passengers' needs and how transport systems integrate with local economies. It was also felt that PTEs/local authorities might have a greater incentive and more dedicated resources to work on local passengers' behalf:

*There could be a benefit of it being easier to gather views of passengers and local groups as the council could gather people together more quickly  
(Colchester – commuter)*

*There should be a role for the local authority to have an input, purely because they probably have a lot of this information about essential services .... There is already I think an infrastructure to be tapped into ....  
(London – commuter)*

*They [the DfT/central government] field the appeals from all over the country and they're constantly juggling things, and they haven't got any magic wands any more than anybody else has*  
(Rail user group representative)

However, our research participants also raised some important concerns about the practicalities of devolved management:

- It will be difficult and controversial to decide which PTEs/local authorities have influence over which routes, especially where rail networks cross authority boundaries:

*I think it's a good idea to consult, but in terms of going further than that, you're going to just increase your costs .... And what about services that actually go through West Yorkshire, say East Coast ... how do you manage that?*  
(Leeds – leisure)

*It might work if it was one company per county otherwise this would be far too complicated*  
(Colchester – commuter)

- Some passengers doubted the expertise and influence of local authorities in particular. This fear was further echoed by user groups, who had often had relatively poor experiences in dealing with local authorities, finding them less aware of transport issues than they had hoped, stretched in terms of resource to focus on transport, and very bureaucratic:

*It's quite right that local authorities should have some sort of input, but they are bureaucratic shall we say, by nature, and they would be even more bureaucratic if they were allowed to control more*  
(Rail user group representative)

- Linked to this, some were sceptical about the level of consideration that would be given to the needs of passengers living on the fringes of PTE areas, fearing that PTEs would overwhelm fringe local authorities.

Many passengers and user groups suggested that a sensible way forward would be that local authorities and PTEs should be consulted as part of franchise decisions (on the assumption that they would be promoting the needs of passengers in their areas), but that the co-ordination of views and ultimate decision-making should remain with central government. This was especially the case for franchises which span multiple authorities, such as those on the West and East Coast main lines:

*Not totally devolved but somewhere where local authorities can feed into the train service decisions ... maybe giving the local authorities a role in the consultation*  
(London – commuter)

## **Branding franchise territories**

Although, as this report has stated, passengers are relatively unconcerned about who operates their trains providing they are operated well, they were generally not in favour of this variation on franchising, since it could result in less accountability for the operator:

*I don't think it's a good idea for them to become faceless ... they'd lose accountability to a point because they've got something to hide under .... I'd rather know I'm going on a horrible train with a horrible company, and give them grief for it  
(Leeds – business)*

In addition to the potential for operators to 'hide' behind the name of the franchise when problems occur, passengers also observed that by becoming 'faceless', any sense of engagement with passengers would be reduced even further, and it could become even more difficult to find information or make a complaint, if it was less clear who was responsible for the service:

*Branding doesn't have much influence and doesn't make a difference to the service but it de-personalises the train service even more  
(Colchester – commuter)*

Some user groups felt that branding territories could help to create a greater sense of ownership on local routes, especially branch lines – so in these cases there could be potential for greater passenger engagement. However, this would be less relevant for whole franchises or even sections of franchises, and generally user groups agreed with passengers that there were few obvious benefits to this variation, and the loss of accountability was a more important disadvantage. Few passengers or user group representatives felt that reduced spending on re-branding when an operator changed, was a large enough benefit to outweigh the problem of losing accountability.

## **Summary of reactions to alternatives: the principles important to passengers in relation to franchises**

The reactions from passengers and user groups above indicate the importance of a number of key principles:

- Train operating companies should be subject to stringent and regular monitoring and reviews.
- Such monitoring should include specific measures to include the experience and opinions of passengers (seeking and facilitating passenger feedback should be a franchise obligation).
- Objectives set within franchises should be enforced robustly, with stringent penalties.
- The performance of the incumbent operator should be given weight within decisions about who should operate the next franchise: if an operator has

performed poorly this should count against them, but if they have performed well this should count in their favour.

- At the same time, innovative proposals from other bidders should be encouraged.

In addition, some user groups suggest some further, specific principles which they would like to see applied:

- Longer franchises, in order not to dis-incentivise investment from operators:

*It's always short term-ism rather than long term-ism, whereas if only it was connected and you had a longer franchise ... and it was agreed that if you make more money, you give the government more money – that seems reasonable  
(Rail user group representative)*

- Smaller franchises, to give operators better opportunity to manage issues closely
- Measures to ensure service quality after an incumbent knows it has lost a franchise:

*The other issue is keeping [TOCs] on board once they lose the contract and making sure they deliver .... It seems that things start to go belly-up during the final months of a contract  
(Rail user group representative)*

- A separate body to make award decisions which is one step removed from the DfT, in order to reduce or avoid political influence. This is because the party in power at the beginning of a franchise may not still be in power by the end, and user groups are therefore keen to ensure franchises are protected from changes in political preferences.

## Appendices

### A: Summary of sample structure

#### (i) Focus groups among rail passengers

##### West Coast main line users

|                                                                                                                                                                                                             |                                                                                                                                                                                                              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Group 1 (Manchester)</b> <ul style="list-style-type: none"><li>• Rail passengers</li><li>• Using Virgin for leisure</li><li>• Min. 50% to also commute by train (any TOC)</li><li>• Aged 25-44</li></ul> | <b>Group 2 (Manchester)</b> <ul style="list-style-type: none"><li>• Rail passengers</li><li>• Using Virgin for business</li><li>• Min. 50% to also commute by train (any TOC)</li><li>• Aged 45-64</li></ul> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

##### East Coast main line users

|                                                                                                                                                                                                            |                                                                                                                                                                                                             |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Group 3 (Leeds)</b> <ul style="list-style-type: none"><li>• Rail passengers</li><li>• Using East Coast for leisure</li><li>• Min. 50% to also commute by train (any TOC)</li><li>• Aged 45-64</li></ul> | <b>Group 4 (Leeds)</b> <ul style="list-style-type: none"><li>• Rail Passengers</li><li>• Using East Coast for business</li><li>• Min. 50% to also commute by train (any TOC)</li><li>• Aged 25-44</li></ul> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

##### Greater Anglia users

|                                                                                                                                                                     |                                                                                                                                                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Group 9 (London)</b> <ul style="list-style-type: none"><li>• Rail passengers</li><li>• Using Greater Anglia for commuting to work</li><li>• Aged 45-64</li></ul> | <b>Group 10 (Colchester)</b> <ul style="list-style-type: none"><li>• Rail passengers</li><li>• Using Greater Anglia to commute to London</li><li>• Aged 25-44</li></ul> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

#### (ii) Depth interviews with representatives of rail user groups (RUGs)

- Representatives of a number of RUGs were interviewed by telephone. The RUGs included in the research were all concerned with Intercity West Coast or Greater Anglia services, as well as specific branch lines and other local services which link with these routes.

## **B: Discussion guide – passengers, focus groups and triads**

(1 hr 45mins)

### 1. Introduction

- Introduction and thank respondents for taking part
- Brief background to Passenger Focus
  - Monitor awareness of Passenger Focus / other passenger groups
- Explain purpose of research, i.e. to find out about passengers' experiences of and views about the rail industry
- Confidentiality issues/reassurances/permission to record
- BRIEF: Respondents work in pairs to introduce each other:
  - Personal details
  - Description of recent train journey – train companies used, and journey purpose for each, overall views on these journeys (i.e. any negatives or highlights)

### 2. Current service overview

- Which train companies do you currently use?
  - How happy are you with the service provided overall?
  - Which elements are particularly good/bad?
  - What could be improved to make the service better?  
*Moderator note areas of particular importance for reference later*
- Do you have a choice between which train company you use?
- If not, do you ever use different train companies when making different journeys?
  - Should there be more than one company to choose from, or should there just be one company for each service? Why?
- How do different companies compare?
  - Do you feel differently towards some companies over others? (Do you have any feeling of loyalty)? Why?
  - Would it matter if the service was run by a different company? Why?

### 3. Introduction to the franchise system

- Are you aware of any companies that operate the routes that you use, or have done so in the past/could do in the future?

*Depending on group's memory/awareness of this;*

- *EITHER:* What is/was different about these?
- *OR:* What would be different about the service if a new company took over in 6 months time?
- *EITHER:* Why do you think there are/were different companies which operate on the same routes?

- OR: Why do you think this company operates these routes and another operates those routes? (use a relevant local example e.g. Virgin/FTPE)
- Why is that particular company in place?
  - Who determines who will operate which routes?
  - What do you think about that?
  - Does it affect you as a passenger?
  - What criteria are used to decide this?
  - Is it a good/bad thing?
  - Does it create competition? Is this a good/bad thing?

#### 4. General principle of public service contracts and public consultations

*This section should be brief – if needed at all – purpose is to prepare group for more detailed discussion re rail franchises*

*Moderator to explain briefly depending on the knowledge demonstrated at section 3*

There are several contracts issued by public organisations which are awarded to private companies to carry out specific tasks in public services.

*[If necessary...]* This means that when there is a job which the government, a local authority or public organisation needs doing, they will sometimes ask companies in the private sector to do this on their behalf

- Can you think of any examples of this?
- What do you think about this?
- Does it mean that there are any advantages/drawbacks to those who use the public services involved?
- Is it a good way to get the right people for the job?
- To what extent do you think members of the public are involved in making decisions about which companies run these services?
  - What do you think about that?
- Is it something that you would want to know about when these contracts are awarded?
- Is it something that you feel that you would like to have a voice in?
  - Why? / Why not?
- *Moderator allow brief conversation about Virgin franchise renewal if it comes up spontaneously – whether group took part in any way before or after the controversy, and their views on this involvement*

#### 5. Passenger perceptions of train contracts/franchises

We are now going to talk more specifically about how the contracts for running train services are awarded to companies, thinking back to the train services that you use.

- How do you think the train companies which operate on certain routes are decided?

- How do you think this process works?
    - What do you think about this?
    - Is there anything which could be changed or improved?
  - Who do you think is involved in the process?
  - Who do you think makes the decisions about who can operate and where?
    - What do you think about this?
    - Is this a good or bad thing?
    - Is there someone else who should be involved/decide?
    - Does this benefit you as a passenger?
      - How? / Why?
  - Are passengers consulted (asked for their opinions) at any stage in this process?
    - What do you think about this?
    - Is this a good or bad thing?
    - When should consultation happen? (pre-contract; in-contract monitoring)
    - Should passengers (or anyone else) be consulted?
    - Would a consultation benefit you as a passenger?
      - How? / Why?
  - What should consultation cover?  
*Refer to issues the group identified as important in section 2*
- For each;*
- Why?
  - How would this affect you as a passenger?
  - How should companies be told?
  - How should they be obligated on this?
  - How would you (realistically) expect companies/local authority/government to respond to this?
  - Overall, does this process affect passengers – either in a positive or negative way?

## 6. The franchise process

As we have just discussed, the awarding of contracts for train franchises routes has several stages.

*Moderator to explain*

*NB: British Rail system will be shown to help put franchise system into context. This also provides opportunity to allow any brief discussion of the benefits of nationalisation if respondents need to express this, and then move on*

### **Previous system – British Rail**

- Until the mid 1990s, all train services were managed by central government

- The government made all decisions about the railways, such as which routes to run, the frequency of trains, how many carriages should be used, etc
- The government managed all aspects of the railways, including the tracks and the trains themselves

### **Current system – private train companies**

- While the track is all managed by Network Rail, the train services are broken into chunks/territories which can then be run by different companies. A timeframe (for example 10 years) is set for each chunk to be managed – this is the franchise period.
- Before the current franchise ends, there is a consultation period. Usually in this time research is undertaken to understand the needs of passengers. Passengers who use the route are able to contact authorities involved to give their personal views on the service and suggestions for the future, and other organisations do the same
- The government sends out a specification to transport companies with guidelines about what the service should entail for a particular area – which is in part informed by the outcome of the consultation
- Private companies then bid for the franchise, by offering an amount of money to the government which buys them the right to run the franchise in that area. Any profit that they then make out of running the service is theirs to keep. The bids must provide suggestions about how to improve and invest in the service for the benefit of the passengers and the public in general
- The government assesses the bids based on what they offer to the passenger and financial forecasts, and awards the franchise to the bid which it feels is the best
- When the contract is agreed, there are clauses written in to ensure the provider runs the contract as they promised to do so in their bid. Sometimes this includes performance targets and financial penalties where these are not met.
- At the end of the contract, the whole process starts again

### **The franchise process:**

- How do you think this affects you as a passenger?
  - What are the benefits?
  - What are the disadvantages?
  - Prompt for different stages of the process
    - What is good/What should be changed/improved?
  - Does it encourage competition – and is this a good/bad thing?
  - Does it encourage change of operators – and is this a good/bad thing?
  - Does it encourage investment in the network – or not?

- Is there anyone else who should be involved?

### Consultation:

- Do you as a passenger want to know about this process when it happens?
  - Why? / Why not?
  - Which parts are particularly interesting to you as a passenger? (*Moderator note down for reference below*)
  - What exactly would you want to know about this stage?
  - How would you want to be told about this (or expect to be able to find out)?
- What exactly would you expect to be told or asked?
- Which issues is it most important to be consulted on?
  - What would you like to say to your train company about this?
  - Or what would you like to know from your train company about this?

*For each stage (or issue) where passengers should be involved, identified above:*

- How would you like to be told about this?
- And how would you like to contribute your views?
  - *Prompt if needed:*
  - notices and posters?
  - online – websites, email, social media?
  - meet the manager sessions?
  - local meetings?
  - surveys and questionnaires?
  - polls/votes?
  - letters?
  - news/media?
  - local MPs?
  - petition?
- Would you expect to be told, or is it enough to be able to find out?
- What would be the best ways for you to participate?
  - Who might best represent the passengers' viewpoint?
- Why is this a good/bad way?
- How would you expect the company/government/local authority to respond to this?
- How would this affect you as a passenger?

### 7. Service monitoring and refranchising

Moving away from the franchise process for a moment, and going back to what happens nowadays...

- What do you think happens at the moment to monitor the service on your train?
- Have you ever seen any information regarding this?
- After the contract is awarded, should the service be monitored on an ongoing basis?

- Why? / Why not?
- Who should monitor the service?
- How should this be monitored?
  - Prompt if needed:*
  - Passenger comments – e.g. emails, social media, website, letters?
  - passenger satisfaction surveys and questionnaires (NPS)?
  - industry information and statistics?
  - meetings (eg: ‘Meet the Manager’ sessions)
  - reports?
  - the media?
  - newsletters?
- What should happen if things go wrong, or the company does not provide the service they promised?
- Would you want to be involved in the monitoring of the service?
  - Why? / Why not?
  - Who else might represent passengers’ interests?
  - How?
  - How would this affect you and the service?

#### 8. Refranchising and alternative contract models

- Do you think that the way that the franchising/contract awarding process works at the moment is the best way this could happen, or not?
  - Why? / Why not?
  - What could be improved?
  - What would you like to see changed?
  - How exactly do you think this could work?

There are a few other ideas about the way in which the industry could be structured

*Moderator to summarise each of the following*

#### *Devolution:*

*Currently, franchises are awarded by the Department for Transport, part of **central government** based in London*

*One option could be for **local authorities** and **PTEs** to have more influence, with a bigger role in:*

- *running consultations*
- *specifying requirements for bidders*
- *deciding who is awarded the contract*
- *monitoring how well a company runs the franchise*

*For example, if TfGM had more influence over franchises, they might have a bigger say when it comes to ticket types, and the introduction of new routes or new vehicles*

Branding the franchise territory:

*Train services would be known by the name of the piece of track, rather than the name of the company that runs the trains*

*This would mean that when the company who runs the trains changes, the name would stay the same*

*For example, instead of being known as Virgin Trains, the service between London and Manchester might be known as the West Coast Main Line, regardless of which company operates the trains*

*(NB relevant examples were given in each of the focus groups, depending upon location and TOC used)*

Indefinite/on-going franchise periods:

*The franchise would not have a specified end date, and the current service provider would continue to run the service until either it wished to terminate it or it failed to meet the specified standards.*

*Either side would need to give advance notice of termination so a new operator could be appointed*

Automatic contract renewal:

*The franchise would come to an end at the specified time (for example after 10 or 15 years)*

*However, new bids would only be invited from other potential companies, if the current company had failed in a particular area*

*If the current company had met all its targets, and could demonstrate its ability to continue running the service, the contract would automatically be renewed*

Franchises with 'break' clauses

*The franchise might be for 15 years but with potential 'breaks' after five and ten years when it could be retendered if the operator wished to terminate it or was failing to meet the specified standards*

For each;

- What do you think about this idea?
- How would this affect you as a passenger?
- Would you want to be involved in this? (if relevant/possible)
  - Why? / Why not? / How?
  - Who else might represent your interests?

## 9. Closing

- What is the one thing that you would want to see improved or maintained about your current rail service?
- How would you let the potential future company know about this?
- If there is one way you could interact with the train company:
  - at what stage in the process do you think this should be?
  - what would you like to tell them about (i.e. service aspect)?
  - how would you do this (i.e. channel)?
  - and how would this affect your journeys?
- Realistically, how likely would you be to actually do this?
- If time, any questions from observers if present
- If time, ask how process for rail compares in their eyes with bus
- Invite any other comments from the group
- Thank and close

## C: Discussion guide – rail user group representatives, telephone depth interviews

(1 hour)

### 1. Introduction

- Introduction and thank respondents for taking part
- Brief background to project, on behalf of Passenger Focus
  - Check familiarity with (Passenger Focus)
- Confidentiality issues/reassurances/permission to record
- Description of the group respondent represents
  - purpose
  - size
  - how administration/membership involvement works (e.g. open meetings, 'board' meetings?)
  - who are the members – what kinds of people
  - specific activities
  - how active
  - notable successes or current issues

### 2. Current service overview

- Which train companies do group members tend to use? (if not covered above)
  - How happy are they with the service provided overall?
  - Which elements are particularly good/bad?
  - What could be improved to make the service better?
- Are group members familiar with other train companies / do they have any choices?
  - What impact does this have on users?
  - What do they think about other train companies in comparison?
    - Differences in terms of service/perception?
    - Trust?
  - Should there be choices? Why?
- Would it matter to group members if the service was run by a different company?
  - Why? / Why not?
- Which, if any, train companies does the Group interact with?
  - How/in what way?

### 3. RUG views on train contracts/franchises

I would now like to talk more specifically about how rail franchises are awarded, and how the decisions are made about which company runs which franchise

- For respondents who have attended passenger groups (or if a colleague of theirs has done so):
  - What are your reflections on the discussions that passengers had about the way the franchising system works?
  - How does that fit with, or differ to, your organisation's general stand point?
- Just thinking about the franchising model, what is your organisation's overall stand point on this (as opposed to state-managed railways for example)?
  - What are the benefits to passengers? Why?
  - What are the disadvantages? Why?
  - What could be changed or improved?
- If little to say (unlikely!): what was your organisation's reaction to the way the West Coast Mainline competition was played out?
  - Why?
  - Why do you think members of the public reacted in the way they did (signing petitions, noise on social media, news stories about the public reaction)?

#### 4. Taking part in the franchise process

- Who generally tends to take part in consultations about future franchise specifications?
  - What are your views on this? (Do different contributors have a powerful enough voice, too powerful a voice? Why?)
  - Who else should contribute? (*observe for spontaneous mentions of more passenger involvement, or RUG involvement*)
    - Why?
  - Who are contributions sent to / who reviews/analyses the contributions?
    - What are your views on this?
- What are your views on the extent to which **passengers** have a voice in the franchising process?
  - Do passengers themselves get involved, or is it mainly RUGs or similar?
  - What is the impact of this?
  - Is this right? Why? What would be the benefits to passengers, if they were more/less involved?
  - If relevant: Why is there not enough passenger engagement currently?
  - If relevant: How could the passenger voice be strengthened?
    - What information would be needed?
    - What channels would passengers communicate through?
    - How would passengers be told about the consultation
    - How would you ensure that passengers can make an informed view?
    - Should there be more RUGs and similar? Or should RUGs be stronger/bigger? How would you make that happen?

- Has your organisation ever contributed to a consultation on future franchise specifications?
  - IF YES:
  - How?
  - Please give me an overview of the points you made
    - Why did you want to make that point?
    - Why did you not talk about xxx (*refer to some of the key things which are important to passengers from the groups, e.g. punctuality, cancellations, environment on board, fare structure, prices, frequency*)
  - What was the response or outcome?
    - What did/do you think about that?
    - If relevant: how could this have been improved?
  - Why did you take part / why is this important / what benefit does this have for your group members (and the wider usership of railways in the area)?
  - What was the actual process like?
    - Was it straightforward?
    - How easy was it to find information / how easy was it to submit your contribution?
    - Exactly what information did you want?
    - How exactly did you make your contribution/through what channels? What are your views on this?
    - Who did you contact/send your contribution to? What are your views on this?
    - How could the process be improved?
  - At what stage during the process did you take part?
    - What are your views on this?
    - Is there a better time to receive/look for information, or a better time to make your contribution?
  - To what extent did you canvass group members, or other rail users in the area, before submitting your contribution?
    - How did you do this? Would you do the same in the future – are there any ways to improve on this?
    - What was the response from group members?
  - IF NO:
  - Why not? (prompt if needed, e.g.):
    - Lack of information to make an informed contribution
    - Lack of notice/invite
    - Barriers / difficulties in the actual process of submitting a contribution
    - Little interest from members
      - PROBE FURTHER – Why are group members not engaged in this?
    - Distrust in opinions being listened to (unlikely to prevent a group!) etc

- Are you going to/will you consider taking part in the consultation for the next franchise (*moderator – likely to be within the next 2 years for both East & West Coast Mainlines*)
  - Why/why not?
  - What are the benefits/disadvantages to your group members (and the wider usership of railways in the area)?
- If you were to take part:
  - What would be the main points you would put forward?
    - Why would you want to make that point?
    - Why would you not talk about xxx (*refer to some of the key things which are important to passengers from the groups, e.g. punctuality, cancellations, environment on board, fare structure, prices, frequency*)
  - What do you expect the actual process to be like?
    - Where would you go for information?
    - Exactly what information would you want?
    - Do you expect it to be straightforward?
    - How would expect to you make your contribution/through which channels? Why?
    - Who would you expect to contact/send your contribution to? Why?
  - At what stage during the process would you envisage take part?
    - Why?
    - What are the alternatives?
  - To what extent would you canvass group members, or other rail users in the area, before submitting your contribution?
    - How would you do this? Why?
    - What would you expect the response to be from group members? Why?

#### 5. After the franchise has been awarded

- In focus groups with passengers, many have said that they wish to be told the reasons for deciding to award a franchise to a particular train company, over another
  - What do you think about that?
  - What are the benefits to passengers of doing this?
  - What are the disadvantages?
  - Are you (as an organisation) able to find out the reasons behind the winner having been chosen?
  - How do you find out?
  - How could this be made more public?
- How are train companies monitored, in terms of delivering on franchise requirements?
  - What do you think about that?
  - How could it be improved?
- Who monitors performance in this way?

- What do you think about that?
- How could it be improved?
- What is your organisation's role in monitoring the way train companies deliver their service once they have been awarded the franchise?
- What is the role of individual passengers in monitoring performance?
  - What involvement should passengers have? Why?
  - Should passengers themselves be involved, or should it be left to RUGs or similar? Why?
  - If relevant: How should passengers be involved?
    - passenger comments – e.g. emails, social media, website, letters?
    - passenger satisfaction surveys and questionnaires (NPS)?
    - access to industry information and statistics? How would this work?
    - meetings (eg: 'Meet the Manager' sessions, local user group meetings)
    - reports?
    - the media?
    - newsletters?
- What should happen if things go wrong, or the company does not provide the service they are required to?
 

*Prompt if needed:*

  - financial penalties?
  - loss/termination of contract?

## 6. Alternative contract models

- Do you think that the way that the franchising/contract awarding process works at the moment is the best way this could happen, or not?
  - Why? / Why not?
  - What could be improved?
  - What would you like to see changed?
  - How exactly do you think this could work?
- Are you aware of any other ideas about the way in which the industry could be structured? (*Spontaneous awareness of the below*)
- IF NOT: there are some other potential models, for example: (*explain one at a time*)

### Devolution:

Currently, franchises are awarded by the Department for Transport, part of **central government** based in London

One option could be for **local authorities** and **PTEs** to have more influence, with a bigger role in:

- *running consultations*
- *specifying requirements for bidders*
- *deciding who is awarded the contract*
- *monitoring how well a company runs the franchise*

*For example, if TfGM had more influence over franchises, they might have a bigger say when it comes to ticket types, and the introduction of new routes or new vehicles*

*Branding the franchise territory:*

*Train services would be known by the name of the piece of track, rather than the name of the company that runs the trains*

*This would mean that when the company who runs the trains changes, the name would stay the same*

*For example, instead of being known as Virgin Trains, the service between London and Manchester might be known as the West Coast Main Line, regardless of which company operates the trains*

*(NB relevant examples were given in each of the focus groups, depending upon location and TOC used)*

*Indefinite/on-going franchise periods:*

*The franchise would not have a specified end date, and the current service provider would continue to run the service until either it wished to terminate it or it failed to meet the specified standards.*

*Either side would need to give advance notice of termination so a new operator could be appointed*

*Automatic contract renewal:*

*The franchise would come to an end at the specified time (for example after 10 or 15 years)*

*However, new bids would only be invited from other potential companies, if the current company had failed in a particular area*

*If the current company had met all its targets, and could demonstrate its ability to continue running the service, the contract would automatically be renewed*

*Franchises with 'break' clauses*

*The franchise might be for 15 years but with potential 'breaks' after five and ten years when it could be retendered if the operator wished to terminate it or was failing to meet the specified standards*

*For each;*

- *What do you think about this idea?*
- *What are the good things about this? / What are the bad things about this?*
- *Is it any better or worse than the current process?*
  - *Why? / Why not?*

- How would this affect passengers?
- What involvement would your organisation have in this?
  - Why? How?
- Overall, which model works best?
- Is it different for main lines (e.g. *WCML, ECML*) versus regional services (e.g. *Northern*)
- ...or are there other ideas?

### 9. Closing

- If the franchisee operating within your remit was to change in 6 months;
  - What is the one thing that you would want to see improved or maintained by the next franchisee?
  - How would you like this point to be expressed, and to whom?
- Invite any other comments from respondent
- Thank and close

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