

Speech to Passenger Focus Conference. April 24, 2008

The Secretary of State for Transport (Ruth Kelly):

I'm delighted to be at this important conference, and to be among such a distinguished audience who share a belief in the importance of our railways and the need to put the passenger at the heart of what we do.

And, of course, that was also a view strongly shared by Gwyneth Dunwoody.

Gwyneth was a long-standing, knowledgeable and formidable chair of the Transport Select Committee.

And, perhaps unsurprisingly for the MP for Crewe, she recognised the importance of a high-quality, modern railway system for the country - and pulled no punches in her determination to deliver it.

That did not always make life comfortable for a succession of Transport Secretaries - or, I suspect - for others in this industry.

If Gwyneth felt the decision you took was wrong, you rarely needed a code-book to decipher what she was saying.

So it is no surprise that she was such a powerful advocate for Passenger Focus, or quick to praise the work that Colin and his team are doing to help us build a more passenger-focused railway. She will be sadly missed.

We meet today almost in the shadow of St Pancras, a magnificent station which symbolises the progress being made and the new confidence about the rail industry.

As ATOC reported recently, well over one billion rail journeys were taken in the UK last year - more than at any time since demobilisation at the end of the Second World War. This is the result of long-term decisions and a great deal of hard work.

It couldn't have been achieved without our commitment to sustained, long-term funding to repair the damage of decades of under-investment.

It also needed major, and sometimes painful steps, to correct the mistakes of a hurried and flawed privatisation, to tackle the failures of Railtrack, to strengthen rail regulation and improve accountability.

And, of course, it needed those of you in the industry to rise to the challenge.

I want to congratulate you for your efforts and your determination to invest in better services for customers.

It is appreciated, not just by me, but, more importantly, by your passengers.

Four out of five rail travellers are happy with their journeys overall - something for which the whole industry deserves credit.

CHALLENGES

But - and there is always a but in speeches by politicians - while we are on the right track, we are still a long way from our destination.

We face significant challenges if passenger satisfaction is to continue rising.

Some of those challenges stem from the very success I've been discussing.

For example, we need to continue to tackle overcrowding on the railway today as a priority, as well as prepare for increasing demand in the future.

We must move swiftly to tackle poor service wherever it still exists, not least because it damages the reputation of the whole railway.

And we must press ahead with plans to simplify and modernise the fares system, which passengers often find complex and impenetrable.

I'm determined to help passengers in other ways, too - by giving them a stronger voice, and involving them more directly in future planning.

Finally, we need to give more consideration to the whole journey - not just from station to station but from door to door.

CONTEXT

A decade ago, this speech - and indeed this industry - would have been focused entirely on sorting out the problems of the past.

Today, we can focus on building a rail network for the future.

Thanks to the hard work of many of you here, we now have solid foundations to build on.

Last summer, after widespread consultation, the Rail White Paper set out our blueprint for moving forward.

At its heart is a long term ambition for a modern rail network capable of handling twice the present record levels of passengers.

So we have promised sustained funding - £15bn in the five years to 2014 - to help boost rail capacity, tackle overcrowding, and continue improving performance.

We are delivering the £5.5 billion Thameslink extension, and just the other day I was able to announce another 14,500 seats for Thameslink passengers.

We're also funding 1,300 new carriages for use across the network, giving the UK one of the youngest train fleets in the world.

We've announced major redevelopments of Birmingham and Reading stations.

And we are committed to delivering the crucial Crossrail project from 2017.

These large-scale network upgrades will be accompanied by many small-scale improvements - lengthening platforms, investing in safety, and minimising delays caused by signalling and track maintenance.

PASSENGER CONTRIBUTION TO RAIL POLICY

So there's a great deal going on to implement the measures outlined in the White Paper.

But meeting our ambitions also depends upon passengers playing a more direct and active part in shaping the future of rail. And that's where Passenger Focus has such an important role to play.

We've already seen the benefits of involving Passenger Focus in our work to specify the South Central Franchise. Their research with travellers who use the trains on a day-to-day basis has highlighted some key issues around evening services, for example, and how information can be more effectively given to passengers.

I'd like to thank Passenger Focus for its continued contribution to this work. I know you are well positioned to help all of us hear the vital views of passengers on how their railway can be improved.

RESPONDING TO PASSENGERS' CONCERNS RE FARES

And there's no doubt one of those areas is fares.

While surveys show that the overwhelming majority of rail passengers are satisfied with their journey, less than half feel they get value for money or understand the range of tickets and fares available.

And these concerns are mirrored in the charges commonly made about our railway system.

That people are being 'priced off the railway'.

That the Government should subsidise fares more.

That our rail fares are too expensive compared with the rest of Europe.

These are claims that will be familiar to many of you. And some of you may well feel that they are unfair.

After all, we know that more people are travelling by train than at any time since the 1940s.

We also know that many are buying fares which represent excellent value for money.

For example Virgin's figures show that 80% of people travelling between London and Manchester pay £35 or less. And you can get from London to Edinburgh for under £22.

These fares are good value by any reckoning.

But during a recent visit to Nottingham, I met people who did not know there was such a thing as cheap advance purchase tickets, let alone that you can buy them right up to the day before travel.

So I think it is clear that we have all failed to get our message across that there are plenty of good value fares available.

And one of the reasons is the complexity of the fares structure, and the proliferation of brand names specific to individual train operators.

I suspect all of us can think of times when we have found booking tickets bewildering.

That is why I welcome ATOC's plans, published today, to deliver a simplified and more transparent fares structure - fulfilling a key commitment of the Rail White Paper.

This will help passengers understand the tickets available. It will help staff to advise more effectively on ticket choices. And it will help train operators to present more accurate and simpler advice online.

At the same time, changes in the railcard rules mean that even more people will be able to use them for discounted travel.

I am delighted to see that both Passenger Focus and London TravelWatch have welcomed the very significant changes which ATOC has announced today.

It will also be important to back up this simplified fares structure with a Price Promise, whereby passengers would be refunded the difference if they found a better deal than the ticket they were sold.

ATOC is working on the Price Promise and I hope they can make speedy progress.

Both these measures will help address passengers' concerns and build confidence in fares and ticketing.

But I think we still need to do more to understand what lies behind the charges we so commonly hear, so myths can be dispelled but also action taken where we find the system can be improved. We need to ask how we can build on the good work already underway on fares simplification and the Price Promise, to meet passenger concerns and priorities.

Increasingly for example, rail fares are structured in a similar way to those of budget airlines.

Book further in advance, and you'll get a better price. There are extra incentives to book online.

This enables train operators to spread travel throughout the day, encouraging passengers to take trains when there is spare capacity. And it brings significant benefits for passengers through cheaper tickets.

But as the system evolves, we also need to make sure all passengers are able to access the right tickets for their journey at the best price.

And so today I have asked Passenger Focus to carry out a study to see how well the current system meets passenger expectations and make recommendations to me about further improvements.

We need to know, for example, how well passengers understand the fares that are available if they choose to travel at different times? In the move to new technologies how do we ensure some passengers aren't left behind? Would passengers prefer single leg ticketing to the current system where returns can be just £1 more than single fares? How can we ensure that every ticket buyer gets the right advice about the most appropriate fare for their journey?

Passenger Focus has also agreed to carry out a comparison of rail fares in the UK with European fares, so that we can understand the real story behind the back of the envelope comparisons that tend to be made.

Colin and Anthony - I am very pleased that you have agreed to carry out this work, and I look forward to hearing your recommendations in the months ahead.

And as many of you will know, we have recently extended the remit of Passenger Focus to act as a champion for bus passengers in addition to rail.

The result is that Passenger Focus will be representing two forms of transport that together account for seven billion journeys a year.

That's good news for rail passengers and bus passengers.

And it will mean that we can develop a deeper appreciation of the passenger experience not just on trains, but across other means of transport as well.

In the real world, journeys usually involve two or more forms of travel - but in the past we haven't taken this into account often enough.

So my Department is focusing more on whole journeys – for example, from walking out the front door at home to arriving at the workplace.

This will help us understand the broader experience of passengers – and to make switching between various forms of travelling that much easier. It will influence how we provide travel information to passengers in the future; how passenger facilities are planned; and how we roll out smartcards across the transport network.

And I am pleased to see transport operators already embracing the concept.

National Express, for example, has united its various bus, coach and rail operations into one division, with a specific team focusing on their customers' whole-journey requirements. They want to make it easier for customers to buy the right tickets for their travel needs, and to make travel simpler.

The implications of end to end planning for the industry, and for passengers, are considerable. In the not-too-distant future, for example, we might be able to purchase a single ticket over our mobile phone for a journey that includes several different types of transport.

And this work will complement the Station Travel Plans scheme, which ATOC is currently developing - easing access to rail stations for pedestrians, cyclists and bus passengers - and so will encourage alternatives to car travel.

I was pleased to hear that ATOC has already received over 70 applications from stations across the country to join the scheme, and we expect that around 20 stations will be chosen to pilot the programme.

In submitting their applications, some local authorities and train operators have linked the development of a travel plan with other initiatives, such as cycling and personalised travel planning.

And we're working to improve passenger facilities at stations in other ways, for example through the National Stations Improvement Programme

I am encouraged that Network Rail and the train operators have been working together to produce a robust delivery plan for the programme.

But more remains to be done.

There is still huge potential for developing our stations - and I want the industry to do more to explore more creative ways of boosting commercial opportunities within the programme, and help to improve the experience of passengers using our stations.

CONCLUSION

Meeting all our ambitions for the passenger will take time.

There are no quick fixes in this industry.

There is no shortcut to maintaining and updating the tracks.

No alternatives to providing sustained investment over the long term to support a growing railway.

And - in the end - there's no way to improve train services for passengers without adding capacity, listening to their concerns, and involving them more in planning for the future.

That's why it's taken time to put right the problems of the past.

But today we have a railway that's growing faster than any other in Europe; with improving reliability on most lines; and stable financing in place to deliver the changes passengers want.

We've established a strong foundation for growth.

Now it's time for us to act together to build on the achievements of the past decade, and to put the passenger at the heart of rail travel.

Delivered: 24 April 2008

(This speech represented existing departmental policy but the words may not have been the same as those used by the Minister.)