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Dear Richard,

Periodic review 2013 – first consultation

I am responding on behalf of Passenger Focus – the statutory, independent body representing the interests of rail passengers.

At this stage in the process we would like to address some of the general principles underpinning the periodic review.

a) Focus outputs on the end user

The passenger railway exists to transport people. It is a highly complex logistical and engineering operation but ultimately it is about providing a service to passengers.

Incentives and targets are used to influence behaviour - which makes it all the more important that the correct targets/incentives are chosen in the first place. From our perspective this means focussing incentives on delivering the type of railway that passengers want.

In 2007¹ and 2009² we carried out stated preference research that asked passengers to rank a series of station- and train-based criteria in order of their priority for improvement.

The table below shows the top ten priorities in 2009 compared with 2007. It also shows the relative importance of each attribute ranking relative to punctuality - the higher the score, the greater priority passengers assign to that service aspect.

National Priorities for improvement

¹ Passenger Priorities for improvement in rail services. Passenger Focus. 2007

² Passenger Priorities for improvement in rail services. Passenger Focus. 2010



2009	Score	Service Improvement Preference	2007
1	1.08	Price of train tickets offer excellent value for money	1
2	1	At least 19 out of 20 trains arrive on time	3
3	0.98	Sufficient train services at times I use the train	2
4	0.86	Passengers are always able to get a seat on the train	4
5	0.79	Company keeps passengers informed if train delays	5
6	0.75	Information on train times/platforms accurate and available	7
7	0.69	Maximum queue time no more than 2 mins	6
8	0.69	Trains consistently well maintained/ excellent condition	8
9	0.67	Seating area on the train is very comfortable	9
10	0.67	Station staff are available whenever required	17

In the 2009 research there were three clear priorities for improvement: value for money, punctuality and service frequency. These, coupled with seats/capacity in fourth place, emphasise the importance passengers place on the 'core product'.

Passenger Focus also conducts the National Passenger Survey (NPS). We consult over 50,000 passengers a year to produce a network-wide picture of passengers' satisfaction with rail travel. Multivariate analysis reveals that punctuality is the single biggest driver of overall satisfaction while the biggest driver of dissatisfaction is the way that the industry manages delays. In very simplistic terms, this means that the best way to improve overall passenger satisfaction is to get the trains to run on time.

In 'translating' this into the periodic review we see direct parallels with:

- Performance (punctuality and reliability) outputs
- Network Availability / disruption targets
- Capacity outputs
- Provision of passenger information
- Stations (overall condition)

The aim is to align the targets used in Control Period 5 with passenger priorities. The more they do so the more likely it is that the process will generate the type of railway that passengers value and want.

We also believe that there is merit in service quality being worthy of a separate metric within the High Level Output Specification (HLOS) itself. Our strong preference would be to base this on passenger satisfaction - the best judge of quality being those who have used the services in question.

And finally, we would like the periodic review to explore the idea of using targets to focus on raising minimum standards. With stations, for example, as well as an overall condition metric



might there also be scope for something that focuses on the worst performing tier – e.g. “the average of the bottom quarter” shall not be below x/improved by y during the Control Period?

b) Transparency and accountability

We believe that the periodic review process provides an ideal opportunity to empower passengers.

Giving rail passengers access to performance figures, for example, will help them to hold their train company to account and to ask what is being done to improve services in return for the fares they pay. Good management should not feel threatened by this. Indeed the availability of accurate data may actually help them – a particularly bad journey can linger in the memory and distort passengers’ perceptions. Accurate, relevant data can help challenge negative perceptions.

We have recently published some joint research with ORR demonstrating the passenger interest in this issue³. One of the key areas identified by this report is punctuality. This data is currently only provided at an overall train company level which can easily mask significant differences between routes within the same TOC. Providing performance data at a route/service group level would help prevent this and focus attention on areas that need improving. It is important to stress that this information already exists – it ought not involve any new costs in terms of data gathering.

c) Cost and efficiency

The ‘McNulty’ review has created considerable debate about cost and efficiency.

Unsurprisingly passengers would prefer the industry to identify efficiency savings rather than see services being cut or fares increased. To this end we believe there is scope for better alignment of enhancement and renewal schemes. For example, the capabilities of new rolling stock (e.g. greater acceleration, higher speeds and better braking capabilities) are sometimes not fully exploited because potential infrastructure capabilities are not simultaneously released. Not addressing these issues means that we lose the opportunity to create additional passenger benefits (in this example it would mean providing faster or more frequent services) which in turn would create additional demand and revenue.

The renewals budget accounts for nearly 50% of Network Rail’s expenditure in Control Period 4 and yet there is no particular incentive upon Network Rail to improve infrastructure outputs to passengers after the renewal work. It is, of course, important to renew what we have but with the sheer sums involved it must be asked whether it could also deliver additional benefits for passengers rather than ‘maintain the status quo’. Should, for instance, any plain line or switch

³ Putting rail information in the public domain. Passenger Focus and ORR. May 2011



and crossing renewal have to match the capability of the rolling stock on the route – unless it can be demonstrated that the additional costs of doing so are grossly disproportionate to the benefit?

As mentioned we would be more than happy to discuss these thoughts in more depth with ORR.

Yours sincerely

Mike Hewitson