
Report to: West Yorkshire Combined Authority

Date: 2 August 2018

Subject: **Rail Performance and Governance**

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Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	

1. Purpose of this report

- 1.1 To update members of the Combined Authority on issues emerging from the introduction of the revised rail timetable on 20 May 2018 and their impact on passengers in the City Region.
- 1.2 To advise members of the Combined Authority of the review of rail governance led by Cllr Blake and Rail Minister Jo Johnson and to recommend key points for the Combined Authority to submit to the review.
- 1.3 Representatives from Network Rail and Northern will attend for this item.

2. Information

Events Leading Up To The Rail Timetable Change

- 2.1 The Northern and TransPennine rail franchises commenced on 1 April 2016 under a new arrangement whereby management of the franchises is shared between Transport for the North (Rail North) and the Department for Transport. The franchises place obligations on the franchisees to provide new

and refurbished rolling stock, increased peak capacity and enhanced service levels.

- 2.2 Delivery of these enhancements was to be phased in over the first three years of the franchises subject to the procurement and manufacture of new and refurbished trains and the completion of infrastructure projects within and beyond the North. The infrastructure projects being largely electrification works which free up diesel rolling stock to supplement the current fleet and enable the withdrawal of Pacer units.
- 2.3 When the franchises were originally let, the intention was that the major improvements would be introduced in December 2017 and December 2019 in line with other significant changes throughout the national network. Delays to projects throughout the country led to the December 2017 changes being delayed until May 2018. Uncertainty about the completion of these projects led to a final decision to proceed with the May 2018 changes being taken in January 2018. This compressed the amount of time required for the rail industry to plan the new timetable.
- 2.4 The May 2018 timetable in the North presumed completion of the electrification projects between Manchester and Bolton and Preston and Blackpool. These would not be ready in time meaning that the expected movement of electric and diesel rolling stock could not occur. This had a consequence, not only for rolling stock, but also the deployment of drivers trained on the appropriate routes and train types.
- 2.5 The rail industry was therefore engaged in planning a major timetable change at short notice with a number unknown factors. This resulted in the deferral of some expected service enhancements and, in some cases, sub-optimal changes to existing timetables and service levels.
- 2.6 The impact of the timetable changes for the City Region were set out in a report to the Transport Committee on 26 May 2018. Members of the Committee recorded concerns about the new timetable and the ensuing performance issues which officers have raised with TfN and the respective train operators. These concerns were carried into the ensuing high level discussions between the Minister and TfN Board members including Cllr Blake.

Events Following the Rail Timetable Change

- 2.7 The breakdown in rail performance across the North in the early weeks of the new timetable was well documented in the media. The impacts in the City Region can be summarised as follows;
 - Cancellations and delays were felt across the network but were most acute on routes in the North West where Northern did not have sufficient trained drivers to deliver the service. The driver availability issue also affected services between Manchester and Leeds on the Calder Valley Line.

- Congestion in the rail infrastructure in the Manchester area caused delays in the North TransPennine (Leeds – Huddersfield- Manchester) route. Partly due to the problems above and also the revised service patterns utilising the new link between Victoria and Piccadilly.
 - Incomplete planning by Network Rail especially with regard to the operation of Leeds station caused delays throughout the City Region.
 - Overcrowding due to short formation resulting from rolling stock shortage.
- 2.8 Short term action was taken introducing a reduced timetable with “planned cancellations” on the most affected routes in the North West until end July. This led to some stabilisation of performance, however, passengers continued to experience an unreliable service.
- 2.9 The Delay Repay system will refund the single journey ticket value for passengers where their journey is delayed by more than 30 minutes, however, it does not apply to passengers using season tickets and other multiple journey products. On 28 June, Transport for the North Board considered a compensation package which would provide a refund of the value of four weeks or one week’s travel for season ticket holders on the routes most affected by the problems in the first month of the new timetable. Whilst this was beneficial to those people on the routes affected, it did not reflect the disruption experienced by passengers across the wider City Region.
- 2.10 Whilst the greatest disruption arising from the timetable change was felt in the North and the South East, there are national structural issues to be addressed to prevent future problems of this nature. The Secretary of State has commissioned a national review of rail industry processes led by Stephen Glaister, Chair of the Office of the Rail Regulator.
- 2.11 On 6 July 2018, the Transport Committee received an update from David Hoggarth, Strategic Rail Director for Transport for the North. The Transport Committee provided a very clear message to TfN and the rail industry that there was still a lot of work to do to address the very real issues passengers are still experiencing and sought reassurance that there would not be more chaos and disruption to passengers when the normal timetable is restored at the end of July. The Committee was concerned that such reassurances were not yet forthcoming from the rail industry.
- 2.12 On 10 July 2018, it was announced that, following a review by Network Rail into the circumstances surrounding the introduction of new timetables in May 2018, the infrastructure provider and maintainer has recommended to the Department for Transport that for those areas where the December 2018 timetable change is reliant on the completion of infrastructure schemes, the existing May 2018 timetable will be largely rolled-over. This recommendation has been accepted by industry (the Rail Delivery Group), meaning that the

majority of the timetable changes planned by Northern and TransPennine Express for December will now not take place until later.

- 2.13 The Rail North Partnership (RNP), which manages the Northern and TransPennine Express franchises on behalf of TfN and the Department for Transport, asked the rail industry to assess and recommend options to improve the reliability of services for customers from the end of Northern's interim timetable, which ends on Sunday 29 July. RNP approved the industry's recommendation which included the option of a phased reintroduction of all services. However concern has been raised that elected members on the TfN Board had no direct involvement in this decision illustrating the need for change in governance and accountability.
- 2.14 The missing trains in the North West are being re-introduced on a route by route basis. From Monday 30 July, 75% (125) of these services will be reintroduced, with the remaining 25% (43) to be reintroduced during September. The congestion issues on the North TransPennine route require a further review of the timetable between Leeds, Huddersfield and Manchester. Options to review the arrangements of the "stopping" services on this route are being assessed. TfN officers are consulting with the CA's rail team on this with a view to changes being made in the autumn.

Current Position on Performance

2.15 Rail Service Performance - Rail Periods 1-3 (1st April – 23rd June 2018)

Northern: Public Performance Measure (PPM)

- The Public Performance Measure (PPM) shows the percentage of trains which arrive at their terminating station within 5 minutes (short distance/regional services) or 10 minutes (for long distance services). It combines figures for punctuality and reliability into a single performance measure.
- In Period 3 (June) was the first full period of the new timetable. Northern's overall PPM in this Period was 77.3% whereas in the same period last year the PPM was 90.9%. It should be noted that performance had deteriorated before the timetable change; Periods 1 and 2 had a significantly lower PPM than in the same periods the previous year. Northern's annual PPM target is 92.80%. This target has only been reached three times since the start of this franchise and this was in the first year of the franchise.
- There were three lines of route that scored above 90% in all of the last three periods. There was one line of route that scored above 92% in all of the last three periods. The best performing route was Knottingley – Wakefield in Period 1. Other high performing routes include Leeds – Bradford Forster Square, Leeds-Harrogate-Knaresborough, Leeds - Ilkley and Bradford Forster Square – Ilkley.

- The poorest performing lines over the last three periods were the Calder Valley and the Huddersfield lines. The lowest recorded performances were on the Blackpool North – Leeds/York route at 46.15% in Period 2 and the York/Selby – Manchester Victoria (stopper) at 61.13% in Period 3.

Northern: Short Forming (Periods 1-3)

- Short forming is when a train is run with less capacity than specified in the train plan. In June (Period 3) Northern's level of short formations was 6.4% against a target of 0%, last year's same period figure was 2.4%. Period 3's level of short forming is the highest since the start of the franchise, impacted by the new timetable and the train refurbishment programme.

TransPennine Express (TPE): Public Performance Measure (PPM)

- In Period 3 TransPennine Express had a PPM of 71% whereas in the same period last year the PPM was 91.1%. Performance was down in all of the last three periods against the same periods last year. TPE's annual PPM target is 90.90% which has not been reached in the last twelve periods.

TransPennine Express (TPE): Short Forming (Periods 1-3)

- In Period 3 TPE's level of short formations was 0.15%, this is an improvement on Periods 1 and 2 where the levels were 0.71% and 0.31% respectively.

Other Train Operating Companies

- Over the last three periods Cross Country, East Midlands, Grand Central and Virgin East Coast all had lower PPMs than in the same period the previous year. The PPMs for these TOCs in Period 3 were - Cross Country 81.8%, East Midlands 90.9%, Grand Central 80.4% and Virgin East Coast 77.5%.

Period 4 (25 June to 22 July) results were not available at the time of publication of this report – a verbal update will be given to the meeting.

- 2.16 The franchises prescribe performance standards which determine whether the train operating companies are compliant. These measures are assessed once the rail industry processes which establish who is responsible for each event leading to the cancellation or delay have been resolved. This process is still underway for the May and June Periods. The Rail North Partnership will determine franchise compliance and will initiate the appropriate contractual processes should it be found that one or both of the train operating companies are in breach.

Customer Impacts

- 2.17 During the weeks immediately after 20 May, customers throughout the City Region experienced delays, cancellations, overcrowding and passengers left at stations due to short formed trains. Whilst some routes have stabilised, passengers travelling on the Calder Valley and Huddersfield Lines continue to experience an unacceptable level of delays and cancellations.
- 2.18 Through its Metrolink contact centre, social media channels and elected members; customers have contacted the Combined Authority to express not only their frustration with the disruption but in many cases to explain how this impacts on their lives. For many people, being regularly late for work or for childcare may have a lasting impact on their career and family life. Mitigating the impact on passengers has been stressed as the highest priority to TfN, DfT and the train operators.
- 2.19 Transport Focus, the customer advocate for transport, is collating customer “stories” from throughout the North for input into the reviews of what went wrong and how to prevent future difficulties. The Combined Authority is promoting passenger interests in close co-operation on issues including compensation with Transport Focus.

Blake / Johnson Review

- 2.20 The Transport for the North Board convened several times in the early days of the new timetable with the Minister and DfT officials to discuss immediate actions and the longer term steps to be taken in the North. It was apparent that decisions had been taken by the TOCs and Network Rail in the lead up to the timetable change with no accountability to passengers and their elected representatives. The devolved franchise management had not been effective in ensuring the interests of passengers in the North. A review of the circumstances leading up to timetable change was agreed to identify and act on the lessons learned. It was agreed that the review would be led jointly by Cllr Judith Blake, Leader of Leeds City Council, and Jo Johnson, Rail Minister.
- 2.21 Terms of reference for the Blake/Johnson Review have been agreed and are attached as **Appendix 1**. The remit of the review is to make recommendations in respect of:
- The management working, resources, custom and practice of the Rail North Partnership;
 - Recommendations on the arrangements for the TfN Rail North Committee – including any ‘early warning’ systems;
 - Any changes to the Rail North Partnership Agreement to facilitate change;
 - Links between the Partnership and Network Rail;

- The specification of future franchise requirements;
 - Potential changes to rail devolution.
- 2.22 The Review will proceed during July and August with an initial report and recommendations in September. The pace of the review is to ensure the recommendations are in place ahead of subsequent timetable changes.
- 2.23 There is, therefore, an opportunity at this meeting to make observations and recommendations which will be incorporated into the Blake/Johnson Review.

Key Points to Submit Into The Review

- 2.24 It is, therefore, proposed that the Managing Director submits the following key points to the review team as part of the CA's formal submission.
- Transport for the North must exercise its role in franchise management in the interests of passengers, residents and business in the region and, where necessary, challenge the rail industry to deliver the service it is obliged to deliver.
 - The remit of the Transport for the North Rail North Committee should enable political oversight of operational performance of the franchises and the planning of changes to service delivery. It needs to understand the anticipated impact on passengers of any change to services and to direct the Rail North Partnership to safeguard their interest.
 - The formal agreement between DfT and TfN must put the Minister and Transport for the North on an equal footing with dual decision making.
 - Network Rail must be accountable for the impact of its decisions on passengers in the North. The Transport for the North Rail North Committee should be a formal consultee of Network Rail and be able to nominate onto key decision making boards within the Network Rail governance.
 - The rail franchises are supported by public funds, there must be greater transparency in their management.
 - The Train Operators should be contractually required to improve communication to help passengers adjust their travel plans when timetables change and services are disrupted.

3. Inclusive Growth Implications

- 3.1 Whilst there are no implications directly arising from this report the delivery of an effective local rail service is crucial to inclusive growth.

4. Financial Implications

- 4.1 There are no financial implications directly arising from this report.

5. Legal Implications

- 5.1 There are no legal implications directly arising from this report.

6. Staffing Implications

- 6.1 Combined Authority staff are assisting with the Blake/Johnson review. CA input is being led by Dave Pearson Director, Transport Services.

7. External Consultees

- 7.1 No external consultations have been undertaken.

8. Recommendations

- 8.1 That the Combined Authority notes the update on the impact on passengers of the May 2018 rail timetable change.
- 8.2 That the Combined Authority approves the submission of the key points set out in paragraph 2.24 to the Blake/Johnson Rail North Partnership Joint Review.

9. Background Documents

There are no background documents referenced in this report.

10. Appendices

Appendix 1 – Blake / Johnson Review Terms of Reference