

Commons Select Committee
-Transport Committee

please reply to:
42 Quickrells Avenue
Cliffe
Rochester
Kent
ME3 7RB

chris.fribbins@railfuture.org.uk

3rd June 2016

Rail Franchising – Written Submission

Dear Sir,

Railfuture is a national independent voluntary organisation campaigning for a bigger, better railway in Britain, so we welcome the opportunity to provide an informed response to the select committee. The response has been coordinated by Chris Fribbins (chris.fribbins@railfuture.org.uk) Head of Passenger Group, Railfuture.

Railfuture recognises the importance of providing improved rail services that offer more journey opportunities to a wider range of travellers, as a contribution to the wider issues of economic, employment and skills, social inclusion and the environment.

Our response is attached. If you require any more detail, or clarification, please do not hesitate to get in touch.

Yours faithfully

Chris Fribbins

Chris Fribbins
Railfuture
Head of Passenger Group

**www.railfuture.org.uk www.railfuturescotland.org.uk www.railfuturewales.org.uk
www.railwatch.org.uk**

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1. Introduction

Our members and affiliated rail user groups have a wealth of rail industry and rail passenger experience across England, Scotland and Wales. There have been a number of representations to, and by, Raifuture on both good and bad experience, as well as comparisons between our national providers and those on the international scene. Representations are also made to train operating companies (TOC), Network Rail (NR), government departments, local authorities, and rolling stock providers.

2. The extent to which the Department for Transport's approach to rail franchising is achieving its key policy intentions of transferring financial risk to the private sector and promoting competition in the market, while at the same time improving rail passenger experience.

2.1. While it can be argued that the franchising process has driven down the subsidies that government has paid, it is not clear how much would have been driven by growth in rail passenger numbers, which has brought significant additional revenue. The main driver of growth has been a significant investment in new rolling stock and major infrastructure investment, combined with road congestion around our cities and major towns. Passengers are becoming more reliant on the railway to work, rest and play.

2.2. We have seen a varied mix of franchise provision:

2.2.1. Traditional competitive franchise

2.2.2. Direct award

2.2.3. DfT management contract (GTR – Southern, Thameslink, Great Northern)

2.2.4. Concession (i.e., TfL Overground and Merseyrail)

Of these Concessions have proved to be the most successful in improving the passenger experience with improvements (introduced or planned) to stations, rolling stock, services, higher staffing levels at stations, innovation in information distribution and ticketing (Oyster, Touch-Card, Smart Cards). Raifuture has supported the transfer of London suburban services to TfL on the basis of the benefits to rail passengers.

3. The extent to which the Department for Transport's approach to franchise bid evaluation strikes the right balance between cost, service quality and deliverability

3.1. We appreciate the difficulties of balancing those three pillars, although passengers often feel that their requirements have not always been considered sufficiently, even after positive discussions with franchise bidders.

3.2. It also generates a 'point in time view' of the franchise and can limit the ability to innovate and respond to changing needs.

4. The Department for Transport's franchise management capability and capacity and its ability to cope with high levels of planned franchising activity in 2016 and 2017

4.1. The introduction of direct awards seems to have brought some order to the franchising process, although limited competition. Even in direct awards, we have seen some improvements in the passenger service, although there have been some concerns about reduced punctuality targets for operators such as Southeastern, which have then not been met.

5. The costs of bidding for franchises and the extent to which increasing costs may be dissuading new entrants to the market

5.1. The Passport process (pre-qualification) and direct award process has helped to limit the cost of franchising for the larger players, and is welcomed, however this is unlikely to encourage

new entrants into the market due to the high costs involved.

6. Actions which could be taken to encourage new entrants to the market

6.1. Concessions would encourage new entrants.

7. The opportunities, risks and feasibility of a significant increase in Open Access Operators on the rail network

7.1. Railfuture is concerned about the potential disruption, complexity (for the rail network and the passenger), and uncertainty that open access operators can bring to the network and franchise operators, especially when train paths are limited. We continue to view the rail network as a whole – with network ticketing, connectivity and cooperation as a major benefit to the rail network and passengers. There is a need to ensure that Open Access Operators pay their true cost of providing the service and not burden the franchise, or Network Rail, with their costs.

Given those concerns our members do welcome the improvements in passenger service that open access operators have introduced.

8. Practical recommendations to better manage the effects of rail infrastructure works on rail franchisees, including through improved coordination with Network Rail and better management of major infrastructure projects

8.1. Cooperation is the key to manage rail infrastructure works, with more emphasis and involvement of passengers. We have seen excellent examples from operators such as Chiltern Railways and Great Western, but a mixed experience with many others. There is emerging best practice which needs to be spread across the industry (and made a franchise commitment). The passenger should not expect to pay full rail fares for a replacement service supplied by bus or coach, that involves additional changes and significant extra journey time.

9. Railfuture welcomes any initiative that brings representative groups into contact with the DfT, NR and TOCs, to furnish their mutual understanding. Both rail user groups and community rail partnerships can play a vital role in shaping the experience of rail passengers, both in planning and making their journeys.