

Annual General Meeting of Rail North Ltd

Meeting date: 08/02/2018

Item: 9

Subject: Franchise Update

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1. Purpose of report

1.1. This update Rail North Ltd on key franchise issues since the last meeting.

2. Recommendations

2.1. It is recommended that Rail North note the contents of this report.

3. Information

TransPennine Express (TPE)

Commercial / Operational Delivery

3.1. TPE Key deliverables in the last 12 months include:

- The first train operating company in the country to receive a prestigious international accreditation for how it manages its railway stations. The impressive, ISO55001 certification was presented by the British Standards Institution (BSI) and demonstrates TPE's commitment to provide the best possible experience for customers.
- For the second year running, and for the fourth time in total, TPE's fleet of Class 185 trains was awarded the Golden Spanner Award for the most reliable modern diesel multiple unit in Great Britain.
- More rail services for Hull and Middlesbrough.
- More seats for Brough, Dewsbury, Malton, Scunthorpe, Stalybridge and Thornaby stations
- Awarded the 'Door-to-Door' Journeys award at the Cycle Rail Awards 2017.
- Installation of new ticket gates across the network including Dewsbury, Manchester Airport and Manchester Piccadilly (pending).
- More weekend rail services for Sheffield and Cleethorpes.
- New ticket vending machines and additional help points across the network.
- Invested in excess of £50k in local community and environmental projects.
- Raised £27k for community investment over the festive period through fundraising, volunteering activities and sales of festive Felix merchandise.

Performance

3.2. The last 4 periods of this year have been particularly challenging for all TOCs, and TPE, like many others, did not escape the impacts of early leaf fall brought on by autumn storms, track closures and speed restrictions which affected many of their services. TOC on TOC delays were mainly attributed to fleet and crew issues.

Below are performance results against contracted targets based on Mean Annual Average (MAA) figures as at period 10:

- Cancellations (% cancelled): 0.85%, 0.22% adverse to target
- Delay Minutes (mins/1000 train miles): 4.92, 0.42 favourable to target
- Short Formations (% short formed): 0.66%, 0.66% adverse to target

3.3. TPE continues to deliver a programme of engine upgrades for Class 185 trains and refining resource use and working practice at depots to improve the reliability of their fleet. They are currently in the process of recruiting and training additional drivers, and have weekly meetings with Network Rail to develop partnership working and advance actions which aim to deliver significant improvements.

3.4. TPE are currently working on a Punctuality Improvement Plan for 2018/19 which will become available shortly.

Contract, Compliance and Committed Obligations

TPE Key deliverables in the last 12 months include:

- First refurbished trains into service - 19 completed by Period 10 - and roll out of full refurb plan for the 185 progressing
- Completion of the Hull Station Retail Development, including the provision of improved waiting and toilet facilities

Northern

Performance

3.5. Northern's performance remained steady until the autumn period. Northern saw a significant deterioration from autumn due to the leaf fall occurring earlier than anticipated. Network Rail hadn't mobilised their rail head treatment works in sufficient time to counter this and as a result Northern suffered a large number of wheel flats which created a backlog of wheel turning which continued to impact on the winter period. Northern appears to have got performance back to pre-autumn figures.

Contract, compliance and committed obligations

3.6. Northern has achieved delivery of 18% of their committed obligations which include a number of franchise improvement below in the last 12 months: -

- Installations of new ticket gates across the network including at Salford Central, Blackburn, Bolton, Bradford Forster Square, Skipton and Harrogate.

- Installation of the first new ticket vending machines. New seating, shelters and customer information points at more than 100 stations.
- Launch and full roll out of new staff uniform to give all staff a fresh, modern look.
- Invested £150,000 to help Community Rail Partnerships kick start projects to benefit communities on the network.
- Introduced a charity incentive scheme to donate £25,000 per year, per business unit to relevant local charities.
- Launch of new website and mobile app to enable customers to access account features, loyalty discounts and advance tickets online, and tap in to real time info etc.
- First refurbished trains into service and roll out of full refurb plan progressing.
- Achieved living wage accreditation and ensured no zero hours contracts in the business.

Customer Experience

3.7. The latest NRPS results show that customer satisfaction was 81% for autumn 2017, the same score that was achieved in autumn 2016, and slightly lower than the spring 2017 score. One score which declined was Overall Train Satisfaction down 4%. Areas that have seen most improvement are:

- Overall station environment up 4%
- Upkeep and repair of the train up 4%
- Ticket buying facilities up 5%
- Provision of information about train times/platforms up 4%

Major Projects

3.8. £28 million Blackburn train depot opened in October 2017 creating new job opportunities for the local area. Phase 4 of the North West Electrification Programme (Bolton corridor) has been further delayed which has impacted on the delivery of timetable enhancements across the Northern network. Timetable plans are currently being finalised to determine the timetable delivery plan between May and December 2018.

Infrastructure Projects

- 3.9. In response to delays to infrastructure schemes and rolling stock provision during 2017/18 affecting both TPE and Northern, the implementation of timetable enhancements were phased across the Dec 2017 and May 2018 timetable change dates. This meant that the restructure of the timetable in Manchester and the remapping of trains on the TransPennine North route was delayed until May 2018. Additional services on the Scottish and South routes went ahead in Dec 2017.
- 3.10. In January 2018, Network Rail provided an update on the delivery of infrastructure improvement works which further affected the development of passenger rail services across the North and into Scotland.

- 3.11. Network Rail advised that over the Christmas period when they were completing a number of major investment upgrades across the rail network, they had issues along the Bolton corridor that affected electrification of the line. Poor ground conditions, hard rock and ancient underground mine workings have seriously hampered progress to electrify the line between Manchester and Preston via Bolton.
- 3.12. As a direct result, the delay in completing this work will mean that some of the timetable enhancements throughout the North of England may now not be able to be delivered until full completion of these works later in the year.
- 3.13. To seek to minimise the overall disruption Network Rail has agreed that they will carry out the additional works along the Bolton corridor at weekends rather than during weekdays. There has already been an increase in weekend closures of the Preston – Bolton – Manchester route since the start of the New Year, and these will continue until later this year.
- 3.14. TPE and Northern are currently working with industry colleagues to map out exactly what this will look like and the details will be available later in the month.