

**CHAIRS' REPORT TO THE TRAVELWATCH SOUTHWEST
GENERAL MEETING, TAUNTON, 1ST OCTOBER 2011**

- 1. The Greater Western Franchise:** One of the two most important developments since our last meeting for the South West was FirstGroup's decision to give up its Greater Western franchise in spring 2013. By exercising its early termination option – it was entitled to continue the franchise until 2016 – FirstGroup will avoid making premium payments to the Government during the final three years which will save it around one billion pounds. (The franchise payment profile was heavily back-loaded with First receiving subsidy from the Government during the early years.) The group's decision has triggered a process that will lead to the new franchise being awarded at the end of 2012. It will come into effect in April 2013 and is likely to run to 2028. The early years could be marked by significant operational challenges as work proceeds with electrification from London to at least Oxford, Newbury and Cardiff, the installation of ERTMS, work on Crossrail and the introduction of the InterCity Express fleet of new trains.

The Directors of TravelWatch SouthWest took the view that stakeholders from throughout the area should be encouraged to achieve a consensus on the priorities for the new franchise because discordant views would undermine the ability to influence the specification for the franchise. We were also mindful of the difficulties created when the current franchise came into effect - the inadequate resourcing, poor timetable specification and service priorities that appeared to reflect the short-term requirements of the Treasury rather than the needs and aspirations of the South West. The 2006 franchise specification ultimately proved unacceptable to politicians, the operator and, most importantly, the public that it was intended to serve. The inadequacy of the timetable was eventually moderated and elderly replacement rolling-stock was drafted in to offset some of the reductions in the fleet. The cost of these remedial actions was significant, for the taxpayer and for the reputation of the Department for Transport and FirstGroup and for the careers of most of the top management of First Great Western itself. Nobody would welcome a recurrence of the unacceptable lack of service resilience and reliability, or the crowds of passengers left standing at stations when trains were too full to board and which led to a fares "strike". The directors of TravelWatch SouthWest took the view that it would be in everybody's interest if we took the initiative to establish broad agreement on some coherent priorities to influence the specification for the new franchise.

In July we set up a meeting with key stakeholders across the South West, and beyond, in order to identify and seek agreement on key strategic issues. This was seen as providing a framework for the subsequent pursuit of local

concerns. The meeting was attended by a range of stakeholders comprising business organisations, including representatives of the new Local Enterprise Partnerships, strategic transport authorities and the passengers' groups who make up the Members of TravelWatch SouthWest. It resulted in a report which was published after extensive consultation, *Greater Western or Lesser Western?* We received an unsolicited response from the Franchise Replacement Sponsor at the DfT, the key part of which said:

“(*Greater Western or Lesser Western?*) makes a number of very important points, and recommendations, which have been noted and are appreciated – as is the effort and research that has clearly gone into preparing the report. ... Please rest assured that the Department for Transport will take your views very seriously as we approach the refranchising process. ... We look forward to continued engagement with you on this important matter.”

The DfT expects to launch a full public consultation by the end of the year with an Invitation to Tender to be published in May 2012. In the meantime, we are continuing to meet with LEP representatives, business groups and strategic transport authorities in order to facilitate timely preparation of more local input, based on a coherent common view. Once the public consultation is past we plan to engage more fully with prospective bidders.

One of the incidental benefits of the *Greater Western or Lesser Western?* work to date is that it has enabled us to refresh our links with key players amongst stakeholders, including the nascent LEPs and the strategic transport authorities. This has long term benefits for our work, across the range of public transport issues, whilst providing stakeholders with access to expertise that may help them make up for the loss incurred in-house by recent spending cuts.

2. The impact of spending cuts on local bus services: The other major development has been the withdrawal of contracted bus services in shire counties due to the impact of Government spending cuts on local authority funding. The directors of TravelWatch SouthWest have worked closely with member groups in the affected areas to try to minimise the impact on users, particularly for those groups who are totally dependent on local bus services for accessibility to education, employment, health and retail facilities.

Devon County Council and **Wiltshire** Council have so far been able to minimise the impact of funding cuts on the local bus service network through reductions in ‘high-cost’ journeys and services which carried few customers thereby minimising the impact on customers. Wiltshire also braved the hostility of local retailers and others by using some of the revenue from increased parking charges to subvent its public transport funds, an initiative that won the public support of TravelWatch SouthWest.

Gloucestershire County Council made substantial reductions to contracted local bus services following a lengthy consultation process which involved the publication of full data relating to the cost and passenger volumes for tendered journeys. TravelWatch SouthWest has worked hard to ensure that local bus users will still be able to access education, employment, health and retail facilities despite the considerable reduction in the provision of socially necessary bus services.

Somerset County Council without consulting either operators or users' groups, withdrew all contracted bus services operating on Monday to Saturday evenings and on Sunday and Public Holidays. TravelWatch SouthWest's attempts to make representations on the basis that some of the withdrawn services carried substantial volumes of passengers and provided good value-for-money were rebuffed on the grounds that 'the policy was fair to everyone'. It is expected that Somerset County Council will be making a substantial reduction in the concessionary fare reimbursement rate from April 2012, leading inevitably to further reductions in both the commercial and contracted local bus networks.

Cornwall Council announced in mid-July that it intended to reduce the concessionary fare reimbursement paid to operators retrospectively from 1 April 2011. TravelWatch SouthWest issued a strongly worded release in which it was pointed out that operators have to be given four months' notice of changes which, if implemented, would have a devastating impact on the local bus service (both commercial and contracted). Cornwall has since agreed to moderate its proposals, following a campaign led by a consortium of TravelWatch SouthWest, local user groups, operators and other influential stakeholders (including local MPs). A less severe reduction in the concessionary fare reimbursement rate will be implemented from 1 April 2012. Even this modified cut will reduce operators' annual income by over £2m. This decrease will require Cornwall Council to make much greater provision for socially necessary bus services if they are to be retained at anything like current levels. Cornwall has seen substantial passenger growth over the last eight years. TravelWatch SouthWest and local user groups in Cornwall have been asked to participate in the processes to establish priorities for supported bus services and in the design of a new tendered bus network to be introduced in 2012. The Council has also agreed to establish public transport fora in the county.

Dorset County Council has retendered the entire supported local bus network and the total school transport provision. It was pleasing to note that the savings from the procurement process (including bus operators opting to provide previously contracted local bus services without any financial support from the county council) were sufficient to meet the reduced budget with a very minimal loss of services. The contracted local bus network in Dorset is in urgent need of major revision to meet the current needs of users - some services carry very few passengers at very high cost, while additional journeys

are required on other corridors. We were disappointed that Dorset County Council was unable to provide adequate replacement facilities in the Bridport area from the beginning of September when First Hampshire and Dorset withdrew commercial bus services, as a direct result of the loss of several school bus contracts in West Dorset. TravelWatch SouthWest will continue to work with the West Dorset Western Area Transport Action Group (WATAG) for the provision of adequate replacement services.

With the start of the autumn term TravelWatch SouthWest found itself on the receiving end of emails and telephone calls from parents, students and teachers in Dorset relating to the widespread failure to deliver the advertised school transport to and from colleges and schools in the county. The County Council is clearly struggling to meet its obligation to transport pupils and students 'safely, securely and reliably' to colleges and schools: children have been 'left at the roadside' for long periods waiting for non-existent or 'late-running' buses and coaches. The Dorset County Council cabinet member for children services has announced 'an internal investigation to probe into the issues'. TravelWatch SouthWest has suggested that the situation should be subject to an independent investigation together with early reimbursement of additional travelling expenses resulting from the failure to provide the advertised services and compensation where appropriate.

TravelWatch SouthWest continues to provide advice to others elsewhere in the South West as local authorities grapple with the impact on their public transport spending of restricted funds. These contacts often are appropriately discrete: the company's initial purpose is to enable officers and operators to find solutions to passenger needs rather than rely on political embarrassment to prompt remedies.

3. Rail fare increases: The challenge of affordability was high-lighted by the announcement of rail fare increases that will take place in January 2012. Some fares could rise by 13% in January – over six times faster than the yearly increase in regular pay. This emerged with the release of July's inflation figures, to which price increases for commuter fares and for the popular turn-up-and-go off-peak return tickets are linked. Last year the Government gave the go-ahead to increasing these fares every year for three years from January 2012 by an average of RPI +3% each year. Under the rules specific fares can be increased further - by up to 5% more - as long as those additional increases are off-set by smaller increases for other fares. TravelWatch SouthWest issued a strongly worded news release in which it was pointed out that some of First Great Western's fares are already higher than comparable mainline fares anywhere in Europe. It noted that Paddington services already suffered the worst over-crowding and that the punctuality of long-distance services was declining - partly due to the intensive investment in infrastructure

enhancement. It questioned whether it was fair to make people pay for jam tomorrow when they are struggling to make ends meet today. Although fare increases are, unfortunately, a media perennial, we were struck that this year a number of media outlets tackled the subject quite thoughtfully.

4. Additional rolling stock: Participants in the work of TravelWatch SouthWest will be aware of our continuing concern at the inadequacy of the rolling stock fleet allocated to the existing Greater Western franchise. We have taken every opportunity to press for its augmentation. In August the Government announced that it would allocate an additional two 2-car Class 150 units and two single car Class 153 units. It estimates these would yield an extra 1,305 seats during the morning and evening peaks in the Bristol area. This is welcome but more vehicles are urgently required: in preparing the *Greater Western or Lesser Western?* report we uncovered the fact that the Bristol travel-to-work area has probably seen greater increase in rail usage than any other conurbation in England. We will continue to press for the release of a further 8 Class 150 vehicles that have yet to be allocated to any franchisee.

5. The McNulty Report: The final report from the committee led by Sir Roy McNulty on improving efficiency and value for money in the rail industry, *Realising the potential of GB Rail*, was published on the same day as FirstGroup's announcement about First Great Western. The full report is worth careful reading particularly because it has been characterised as the harbinger of service cuts and increased fares. While it is always possible that those in positions of responsibility will seek to exploit it for their own ends – whether to justify reductions in public funding or to fan fear of changed practices - the detail of the report provides valuable material to those concerned with the sustainability of the rail network and the need to ensure delivery of services that are both fit for purpose and affordable.

6. National Rail Awards: We are pleased to note that South West Trains was awarded the coveted *Passenger Operator of the Year* award at the 2011 National Rail Awards.

7. National Community Rail Awards: First Great Western was declared Overall Winner Association of Community Rail Partnerships' annual event - the prize going to the group, partnership, individual or train operating company judged to have contributed the most to community rail development in the previous year. The South West was well represented amongst the other awards given: the Severnside Community Rail Partnership won first place for the best marketing publication, the Devon & Cornwall Rail Partnership's Munchtime Express on the Looe line won first place for the best community rail event, with the Friends of the Avocet Rail Users' Group in second place for Avocet 150 and the Heart of Wessex highly commended for the local food train; Pokesdown station won first place for its community art scheme while

Severnside's work at Bedminster came third in this category; D&CRP won a second prize for its involvement of young people in the Time Travelling Train on the Tamar Valley Line and a third place went to all those involved in the Barnstaple Bus/Rail Interchange. The Friends of Bradford-on-Avon were shortlisted in the best garden category while Catherine Phillips of the Heart of Wessex won first prize for the Best Community Rail Image. The Friends of Upwey Station were shortlisted for their work in the Best Station Adoption Group category while the Community Rail Working Party on the Heart of Wessex Line was Highly Commended for its Outstanding Teamwork. South West volunteers achieved particularly strong recognition: Rachel Nafzger of the D&CRP was awarded second place while John Phillips, for many years the Chair of the Tarka Rail Association, was honoured with the first place for Outstanding Volunteer Contribution.

8. National Bus Awards: South West operators feature strongly in the short-lists for the various awards to be announced at the National Bus Awards at the end of November. Five of the seven places in the short-list for the prestigious (but oddly named) *Top Shire Operator* award are taken by:

- Stagecoach South
- Stagecoach West
- Thamesdown Transport
- Western Greyhound
- Yellow Buses (RATP)

Stagecoach South West's Torbay Bus Depot is one of four short-listed as *Top National Bus Depot* while Stagecoach West's *Greener Journeys* has been nominated for *Marketing Excellence*. North Somerset Coaches' Nailsea & Backwell Local Bus is represented in the *Making Bus a Better Choice* category while Plymouth Citybus makes an appearance in the *Eureka! Marketing Initiative* category for its Dennis Dart project. Staff from First Bristol and First Hampshire & Dorset have been shortlisted for the *Young Manager of the Year* and the *Unsung Hero* awards, respectively.

9. Integrated Transport Smartcard Operation (ITSO) Smart Ticketing:

In July the Government announced a grant to Plymouth City Council of almost £3m to support the introduction of 'smart ticketing' throughout the South West through a new company hosted within the Institute of Sustainability Solution Research at Plymouth University. South West Smart Applications Ltd (SWSAL) is a not-for-profit company formed in October 2010 and owned by 15 transport authorities and 15 major bus operators. The funding award is expected to deliver:

- Smart ticketing equipment on all 3,400 registered local bus services in the South West
- The extensive back office software to support this
- Support for the region's Community Transport and Community Rail Partnerships in moving towards smart technology.

Joe Lynch, a founding director of the TravelWatch SouthWest and a pioneering force in the South West Public Transport Forum, its predecessor, was our principal link with its early development. Joe, who resigned his TravelWatch SouthWest directorship in August, has been appointed to the team under Andrew Seedhouse that is responsible for taking SWSAL forward.

10. Passenger Focus: The budget of Passenger Focus, the DfT-funded statutory national watchdog for rail and bus passengers, was cut from £7.2m to £4.7m in the year that began in April 2011. This has led to a significant restructuring of the organisation with a withdrawal from franchise based activity nationally. Passenger Focus has been obliged to withdraw from significant areas of previous activity, particularly in relation to the work done by the passenger link staff. Changes were implemented by 6th June. The previous establishment of 65 posts was reduced to 39 posts. (The posts of both members of Passenger Focus's passenger link team in the South West, Mike Greedy and Joe Lynch, were amongst the many abolished.) Passenger Focus will continue to engage in passenger research, handling rail 'appeal' complaints and making representations to secure improvements on a limited number of national issues. The organisation's focus is now on a much smaller number of key issues. It will work with Train Operating Companies (TOCs) centrally, with the 'Big 5' at national level and key local authorities (with emphasis on the Integrated Transport Authorities (ITAs) in the conurbations). A 'watching brief' in other areas will replace its present extensive engagement across the country and much greater reliance will be placed on voluntary groups to effect changes that passengers seek at a more local and regional level. We are in discussions with Passenger Focus about how Passenger Focus and TravelWatch can align specific work activities and future areas of on-going support.

11. European Rail Strategy: The EU's Transport Commissioner, Vice-President Siim Kallas, has asked me to join a twenty-one strong group of rail operators and other key stakeholders from the industry to assist the Commission in developing its vision for a competitive, sustainable and efficient railway area throughout the EU. He will be chairing the group himself. Other participants include the heads of Siemens, Alstom, Bombardier, Deutsche Bahn, SNCF, FS as well as those heading some of the main infrastructure managers. Although I am participating in a personal capacity it appears that I am expected to represent the passengers' views as Vice-President of the European Passengers' Federation (which has 33 member organisations in eighteen European states

and of which TravelWatch SouthWest is a member). The only other British person in the group is Paul Plummer, Network Rail's Group Strategy Director. I suspect that my invitation stems from my seven years on the board of the European Railway Agency, the institution responsible for rail safety and interoperability throughout Europe, where I chair the budget, finance and resources sub-committee. The appointment will provide useful insights into the dynamics of rail policy development at the highest level whilst giving me an opportunity to champion consumers' interests in its formulation.

12. Workshop on 'Pan-European Multi-Modal Journey Planner': In June I represented the views of the European Passengers' Federation at a workshop convened by the European Commission on its plans for a Pan-European Multi-Modal Journey Planner. The meeting, which was hosted by the member of Vice-President Kallas's *cabinet* in charge of Intelligent Transport Systems (ITS), was attended by industry stakeholders and ITS experts. I emphasised that journey planners need reliable data and argued that its provision should be underpinned by legislation aimed at deterring information providers from supplying consumers, either intentionally or negligently, with information that is incorrect. Access to reliable, timely and comprehensive information about timetables, fares, facilities and booking arrangements is vital if people are to exercise their judgement as 'informed consumers' in accord with European consumer strategy and to benefit from market opening. The Pan-European Multi-Modal Journey Planner should be in place by 2020.

13. Joe Lynch: I would like to end on a personal note by recording my appreciation of Joe Lynch's contribution to the Company. He resigned as a Director in August. Joe has been a great champion for passenger interests for many years having previously served in a key role at the National Federation of Bus Users (now Bus Users' UK). In September 2001 he helped me establish the multi-modal South West Public Transport Users' Forum (SWPTUF), a sub-committee of the Rail Passengers' Committee (RPC) for Western England, the statutory passenger representative body. He was the Forum's Vice-Chair, leading on bus matters. He became Vice Chair of this Company when it was created in August 2005 to take on SWPTUF's work following the closure the RPC. He stepped down from that role on joining the staff of Passenger Focus, the RPC's national successor, in 2009 where he remained until its restructuring a few months ago. He is now joining South West Smart Applications Ltd where, I am sure, he will continue to have passengers' interests at the heart of his work.

Christopher Irwin
Chair, TravelWatch SouthWest CIC
25th September, 2011