



House of Commons
Committee of Public Accounts

Maintaining and improving Britain's railway stations

**Twenty-second Report of
Session 2005–06**

*Report, together with formal minutes,
oral and written evidence*

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The Committee of Public Accounts

The Committee of Public Accounts is appointed by the House of Commons to examine “the accounts showing the appropriation of the sums granted by Parliament to meet the public expenditure, and of such other accounts laid before Parliament as the committee may think fit” (Standing Order No 148).

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The following was also a Member of the committee during the period of the enquiry:

Diana R Johnson MP (*Labour, Hull North*)

Powers

Powers of the Committee of Public Accounts are set out in House of Commons Standing Orders, principally in SO No 148. These are available on the Internet via www.parliament.uk.

Publications

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at <http://www.parliament.uk/pac>. A list of Reports of the Committee in the present Session is at the back of this volume.

Committee staff

The current staff of the Committee is Nick Wright (Clerk), Christine Randall (Committee Assistant), Emma Sawyer (Committee Assistant), Ronnie Jefferson (Secretary), and Luke Robinson (Media Officer).

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Contents

Report	<i>Page</i>
Summary	3
Conclusions and recommendations	4
1 Incentivising TOCs to maintain and improve stations	7
2 Meeting passengers' needs	10
3 Improving accessibility and integration	12
4 Adopting a strategic approach to station improvements	13
Formal minutes	15
Witnesses	16
List of written evidence	16
List of Reports from the Committee of Public Accounts Session 2005–06	17

Summary

Britain's 2,507 railway stations vary in age, size and passenger usage. On average, 90,000 passengers a day use each of the 28 largest stations; just 100 passengers a day use each of the 1,200 smallest unstaffed stations. Numerous organisations are involved in station-related activities. Network Rail owns most stations, and is responsible for their structural repair and renewal. It operates 17 of the largest stations, leasing the remaining 2,490 stations to 22 Train Operating Companies (TOCs) who are responsible for station maintenance, cleaning and operations.

The Strategic Rail Authority (SRA)¹ played a key role in stations. Its predecessor, the Office of Passenger Rail Franchising (OPRAF), had placed basic, broadly defined obligations on TOCs for the upkeep of stations. OFRAF had anticipated, however, that TOCs would go beyond the basic requirements and invest in improvements in response to commercial incentives. This assumption proved flawed. The SRA has set more specific requirements for TOCs to meet in new franchises entered into since 2004, but most TOCs continue to operate to their original obligations until their existing franchises run out, in up to sixteen years' time.

Insufficient attention has been given to the quality of stations over recent years, and little account has been taken of passengers' needs and priorities. Passengers would like stations to be safe and secure, with staff and good quality information available. Passenger satisfaction remains low for medium sized and small stations. Passengers are most dissatisfied with upkeep, repair and personal safety. More than half of Britain's stations are not fully accessible to those who are disabled, and to parents with young children etc. The Department for Transport plans to invest £370 million in station accessibility improvements over the next 10 years.

There are growing capacity pressures at several larger stations, but there is a lack of funds for improvements and no overarching strategy for station modernisation. The Department for Transport now has responsibility for stations strategy and is working alongside Network Rail, the Office of Rail Regulation and the industry to make it easier for other organisations to deliver station improvement projects and to attract private finance into station improvement schemes.

On the basis of a Report by the Comptroller and Auditor General² the Committee took evidence from the Department, the SRA, Network Rail, the Chairman of the Office of Rail Regulation (ORR), and, representing the TOCs, the Director General of the Association of Train Operating Companies (ATOC).

1 The SRA is being abolished under the Railways Act 2005. Its strategic and franchising roles are being transferred in England and Wales to the Department for Transport and in Scotland to the Scottish Executive. Network Rail will take over its responsibility for monitoring TOCs' performance and the Office of Rail Regulation will take over its monitoring of some consumer protection issues.

2 C&AG's Report, *Maintaining and improving Britain's railway stations* (HC 132, Session 2005–06)

Conclusions and recommendations

- 1. A third of larger stations in England and Wales, used daily by significant numbers of passengers, are without waiting rooms, and some 15% are without toilet facilities.** The SRA and the rail industry have paid limited attention to meeting passenger needs at stations. The Department, working with the industry and the Rail Passenger Council, should assess the gap between reasonable passenger expectations and existing facilities for different categories of station, and work to agree common standards taking into account existing and potential patronage levels.
- 2. More than half of Britain's stations are not fully accessible to disabled people.** The Department has earmarked £370 million to be spent on improving accessibility at Britain's busiest stations by 2015 in response to the Disability Discrimination Act 1995. It anticipates further funding being sought in the Rail Regulator's periodic review in 2009–14 to improve accessibility more widely on the network. The Department should seek to speed up the pace of change for improving accessibility, to enable those with disabilities to make better use of the network should they wish to do so.
- 3. Few train operating companies have joined national schemes to reduce crime and improve personal safety at stations even though research in 1996 and 2002 suggests that introducing additional security measures can increase patronage by up to 11%.** The Department should work with the Association of Train Operating Companies and British Transport Police to promote national schemes with station operators and passengers. It should also consider making participation a franchise requirement.
- 4. The original franchises awarded on privatisation of the railways failed to put sufficient emphasis on improving station facilities.** The Department should examine ways of applying new requirements to original franchises which may have up to sixteen years to run. It might, for example, agree with the Association of Train Operating Companies a set of best practice standards to supplement existing franchises. It could also promote innovative but cost effective improvements such as pay-on-entry toilet cubicles, partnerships with voluntary and community groups to refurbish waiting rooms, and commercial sponsorship of real-time train information.
- 5. Assessment of station quality has been left largely to station operators, and little use has been made of financial penalties to drive up standards.** The Department should undertake more independent assessment of station quality using mystery shopping techniques and passenger representatives. It should consider employing a points system to rate stations, publishing the results periodically to encourage train operating companies to enhance station quality.
- 6. In many cases train and bus services are poorly integrated.** In the deregulated bus market outside London, the Department has limited leverage to improve the integration of local bus and train services. It could, nevertheless, work with Train Operating Companies, local authorities and bus operators to promote better

signposting between train stations and local bus stops and bus stations. It could also encourage the display of bus maps, routes and timetables prominently at stations.

- 7. Network Rail has been seen as a barrier to station improvement through unduly complicated and inflexible procedures, an unwillingness to share risks associated with improvement projects, and a lack of targets for developing franchised sites.** The Office of Rail Regulation should undertake an early review of the impact of the Stations Code to be introduced in April 2006, to make sure the changes anticipated to tackle these barriers are delivered.
- 8. The number of bodies involved in maintaining and improving stations has led to a fragmented approach, lacking overall leadership and strategic focus.** The Department should identify investment priorities across the network, set out a coherent approach for attracting in private funding to help fund improvements, and set out clearly the actions needed to address anticipated capacity pressures, particularly at major stations, over the next 10 years.
- 9. Adopting a portfolio approach for developing stations offers the potential to cross-subsidise between stations and spread gains more widely across the network.** Network Rail plans to attract private property and retail developers into deals to improve stations packaged together as clusters along particular routes. The Department should also consider promoting investment in stations, by for example setting up station companies with responsibility for the management, repair, maintenance and improvement of portfolios of stations.

1 Incentivising TOCs to maintain and improve stations

1. TOCs' original franchises, let in 1996–97, placed basic, broadly defined obligations on TOCs for the upkeep and operation of their franchised stations.³ The SRA's predecessor, the Office of Passenger Rail Franchising (OPRAF), set the obligations largely by reference to facilities already existing at most stations at the time of privatisation, rather than in response to identified passenger needs. The SRA considered that it would not have represented value for money to have increased station requirements, so it continued with the obligations set by OPRAF. TOCs had been expected to go beyond these basic requirements and invest in station improvements in response to commercial incentives to attract more passengers and thereby generate additional revenue. This assumption proved to be flawed, as TOCs did not deliver the outcomes envisaged. When entering new franchises from 2004, the SRA set more specific, sometimes new and, in some respects, a higher level of requirements for TOCs to meet. For example, where the original franchises had made no requirements about toilets and stated that the station environment had to be kept reasonably clean, the new franchises required TOCs to keep toilets open and clean, and that TOC staff should not sweep litter on to the track bed (**Figure 1**). The need for such detailed obligations could be interpreted as an indictment of TOCs' poor performance under the original franchises. The SRA considered that the industry faced rising passenger expectations. It would have liked the new obligations to apply to all TOCs. Most TOCs would, however, continue to operate to their original franchise obligations until their existing franchises reached the end of their terms and new ones were let in their place.⁴

2. Some franchise agreements, such as that for the TransPennine Express, had included commitments by TOCs to go beyond the basic requirements and invest in specific station enhancements. Many others, such as the Northern franchise, had not. The hoped-for investment by TOCs in station improvements had not occurred because many investments were not commercially attractive to TOCs within the short term of their franchises. TOCs could, however, have sought the SRA's designation of an investment as a primary franchise asset for which they would receive book value at the end of their franchise. TOCs, nevertheless, were disinclined to invest in improvements, particularly towards the end of their franchises. Both ATOC and the SRA conceded that the demands which improvement projects placed on scarce management time, discouraged TOCs from implementing such projects towards the end of their franchises.⁵

3 TOCs lease franchised stations from Network Rail, which owns the stations.

4 Qq 131, 189–198

5 Qq 25, 31, 40–42, 46, 48

Figure 1: Examples of obligations in original, compared with those in new, franchise agreements

Original franchise agreement	New franchise agreements
Seating Nothing specified	<ul style="list-style-type: none"> • Undamaged and fit for purpose • Secure, clean and free from litter • Self-draining (unless indoors) • Free from rust
Toilets Nothing specified	<ul style="list-style-type: none"> • Open, clean and at least 50% of cubicles/urinals available while station is manned • Wheelchair accessible toilets should have all fittings working and secure
Graffiti Nothing specified	<ul style="list-style-type: none"> • Racial, religious or sexual nature – removed within 24 hours • Other graffiti removed within 7 days • No unauthorised stickers, posters or flyers
Environment Must be kept reasonably clean	<ul style="list-style-type: none"> • Free from litter, clean and tidy • All window and glass kept clean and replaced when damaged • Litter bins emptied when full and provision should comply with franchisee's security policy • Landscaped areas should be maintained • Persons employed to pick up litter on platforms must be instructed not to sweep litter into the track bed

Source: National Audit Office

3. The SRA had adopted a light touch in monitoring TOCs' compliance with the station obligations in their franchise agreements. It relied mostly on TOCs' self assessment of quality of service at their stations, although it also carried out surveys at a small number of stations each year. The SRA considered that it had a sufficiently robust regime, where responsibility for managing compliance rested with TOCs rather than the SRA. But the example of Market Rasen Station highlighted the weaknesses of this self-policing approach - in this case the waiting shelter has been left in a state of serious disrepair for several years, despite passengers requesting action. Franchises let since 2004 included key performance indicators, giving all parties a clearer understanding of what was expected and specific measures for monitoring TOCs' performance.⁶

4. The SRA required TOCs to take remedial action when they failed to meet their station obligations. It could grant derogations from franchise requirements where, for example, it was not economically viable to repair a frequently vandalised facility. Franchises awarded before 2004 contained no provision for imposing financial penalties on TOCs for non-compliance, on the grounds that TOCs would have inflated their franchise bids to take account of the likelihood of having to pay financial penalties. In new franchises let since 2004, however, 10% of a TOC's bid profit was at risk if a TOC did not comply with the new franchise requirements. Where non-compliance occurred, the SRA could extract a

passenger dividend from a TOC, for example by requiring the TOC to bring forward the repainting of stations, but the SRA had tended not to do so. It preferred instead to issue a breach notice requiring remedial action, often resulting in the franchise operator reviewing and amending procedures to make them more robust (**Figure 2**). The poor condition of local stations referred to by many members was an indication that compliance and enforcement arrangements were not effective.⁷

Figure 2: Summary of Breach Notices and action taken May 2004–March 2005

Type of breach	Number of breaches	Action taken
Failure to display required information at stations	4	<ul style="list-style-type: none"> • Changed posters to include taxi numbers • Changed procedures and carry out an on-going station standards audit to check compliance • Carrying out an on-going exercise to identify nearest accessible stations for passengers with disabilities • Put in place procedures to record compliance
Failure to complete work by an agreed date	4	<ul style="list-style-type: none"> • Work completed within a month, no further action taken (2 cases) • Deadline for completion extended by six months
Shortcomings in the way inter-linking bus and train services were publicised in timetables	3	<ul style="list-style-type: none"> • Timetables amended to include this information
Failure to carry out daily station inspections	1	<ul style="list-style-type: none"> • Contract changed to exclude Sunday inspections • Procedure changed to check that daily inspections take place
Failure to provide a copy of Disabled Person's Protection Policy on request	1	<ul style="list-style-type: none"> • Procedure reviewed and amended to comply with requests in future
Failure to seek SRA approval to terminate use of a station footbridge	1	<ul style="list-style-type: none"> • Franchise operator now aware of correct procedure
Failure to process passenger refunds within prescribed timescales	1	<ul style="list-style-type: none"> • Procedures reviewed and amended to comply in future
Failure to roster six customer service assistants at one station on one day during an Assessment	1	<ul style="list-style-type: none"> • Franchise Operator will roster six members of staff at times required
Failure to provide assistance to a disabled passenger	1	<ul style="list-style-type: none"> • Procedures reviewed and amended to prevent this happening again

Source: Supplementary memorandum submitted by the Strategic Rail Authority, Ev 26–28

2 Meeting passengers' needs

5. Insufficient attention has been given to stations over recent years and limited account taken of passengers' needs and priorities. The SRA acknowledged that it had given stations a low priority over recent years, reflecting the government's emphasis on improving train punctuality and reliability. It agreed that the Comptroller and Auditor General's Report and the Rail Passengers Council's Report, *What passengers want from stations*, were valuable sources of information as to what the priorities should be at stations. The Department emphasised that investment decisions needed to have due regard for value for money, but acknowledged that more could be done to assess passengers' priorities. There was considerable scope for improving overall passenger satisfaction with station facilities and services (Figure 3).⁸

Figure 3: Summary of National Passenger Survey results concerning passenger satisfaction with station facilities and services, Spring 2004

Questions concerning station facilities and services	% fairly or very satisfied						
	All stations	A National hub	B Regional hub	C Important feeder	D Medium staffed	E Small staffed	F Small unstaffed
How request for help or information was handled by staff	82	84	82	82	76	82	n/a
Information about train times/platforms	74	80	76	74	66	67	51
Connections with other forms of public transport	71	85	77	65	59	51	43
Attitudes and helpfulness of station staff	66	64	68	68	63	72	n/a
Ticket-buying facilities	66	71	67	66	60	67	40
Cleanliness	61	71	62	55	52	56	45
Overall station environment	57	70	59	51	41	47	38
Upkeep and repair	56	70	57	50	44	51	40
Personal security whilst using the station	55	62	61	53	46	49	38
Facilities and services	46	69	51	36	23	16	16
Car parking at stations	44	29	46	45	44	52	54
Median value	61	70	61	55	52	52	40
Unweighted average	61	62	64	59	52	55	41

Source: National Audit Office analysis of the results of the National Passenger Survey, Spring 2004

6. The provision of some facilities, such as toilets and waiting rooms, depended on whether such facilities had existed at stations at the time of privatisation. The subsequent installation or improvement of such facilities depended on whether enough people used the station to justify the investment. Some facilities, such as automatic ticket machines which allowed train guards to spend more time checking tickets and less time selling them, were easy to justify on economic and operational grounds. A third of larger stations, used by significant numbers of passengers were still without any waiting rooms and 15% without toilets. Vandalism of toilets was a problem at smaller stations. The installation of pay-on-entry cubicles, similar to those commonly found on the high street, could be considered as a means of providing toilet facilities at any station.⁹

7. Many passengers feel unsafe at smaller stations. Research for the Department for Transport in 1996 and 2002 suggested that improvements in personal safety would result in 11% more journeys by public transport. The presence of staff, good lighting and CCTV surveillance at stations were the three most important factors reassuring passengers about their personal safety when they waited for a train. The installation of CCTV cameras had been a priority for TOCs, and Network Rail had allocated £50 million a year for enhancements which included station security measures. Passengers felt least secure at small, often unstaffed stations, many of which lack CCTV security systems. Few TOCs had sought accreditation under the Secure Station Scheme and Safer Parking Award Scheme¹⁰ run by the Department, the Home Office, the police and other stakeholders, which promoted good practice in station and car park security. The improvements needed to gain accreditation, such as the installation of CCTV cameras, improved lighting and the removal of hiding places, created a safer environment for passengers and helped to allay passengers' fears about their own personal safety. The Department was looking to identify the 100 station car parks with the highest crime levels with a view to negotiating improvements from TOCs and Network Rail so that they met the standards of the Safer Parking Award scheme.¹¹

9 Qq 13–14, 16, 92–93

10 Formerly known as the Secured Car Parking Scheme. See also 16th Report of the Committee of Public Accounts, *Home Office: Reducing Vehicle Crime* (HC 696, Session 2004–05), paras 4, 7

11 Qq 44, 80–82, 147, 158–160

3 Improving accessibility and integration

8. Most of Britain's railway stations are over 100 years old and 15% are listed buildings, restricting the ways in which they can be maintained and improved. More than half of Britain's stations are not fully accessible to disabled people, but it would require significant funds. It would be expensive to make every station step-free. In response to the requirements of the Disability Discrimination Act 1995, Network Rail and TOCs were working to provide alternative options such as assistance from station staff to make train services accessible. ATOC had published a map showing which stations had step-free access and indicating whether stations were staffed throughout train running hours. If disabled passengers booked their tickets at least 24 hours before travelling, Network Rail and TOCs would aim to provide staff assistance. It would be for the courts to decide whether these practices constituted the reasonable adjustments required under the Disability Discrimination Act 1995. Beyond these adjustments, however, progress had been slow in improving accessibility at stations. The Department acknowledged that there should be better facilities for visually and hearing impaired passengers, for example. There were, however, questions about affordability and value for money in installing such systems at every station. The Department had earmarked over £370 million to be spent on improving accessibility at Britain's busiest stations by 2015 and was prioritising how the money should be spent in consultation with groups representing disabled people. The Department and Network Rail acknowledged, however, that more funding would be needed, and that it would have to look for further funding in the Office of Rail Regulation's periodic review in 2009–14 to improve accessibility more widely on the network.¹²

9. The Department had limited leverage to improve the integration of local bus and train services, in support of the government's integrated transport objective. In the deregulated bus market outside London, private bus operators responded to commercial incentives in determining their bus routes, and timetables. Better signposting from train stations to local bus stops and displaying bus maps, routes and timetables prominently at stations, would help passengers connecting between buses and trains. More efficient interchanges were needed between rail, buses and community transport to improve stations' accessibility.¹³

12 Qq 33, 35–39, 85, 109, 112–114, 137–138

13 Qq 18, 83–85

4 Adopting a strategic approach to station improvements

10. Funding constraints had curtailed the SRA's plans to invest in station improvements. There were also limited resources to tackle growing capacity pressures at several larger stations. Consideration of the value for money of improvements was important alongside passengers' expectations of a minimum level of facilities and services at every station. There is, however, no overarching strategy or single organisation leading on the modernisation of Britain's stations. The number of witnesses highlighted the fragmented nature of the rail industry, the diffusion of roles and responsibilities and the absence of strategic leadership to guide the industry. The Department was developing a strategy for stations, which would help it construct a high level statement of the outputs it was looking to the industry to deliver during the period covered by the Office of Rail Regulation's review of Network Rail's funding needs for 2009 to 2014.¹⁴

11. Network Rail acknowledged that third parties interested in station improvement projects, such as local authorities and property developers, sometimes found Network Rail a difficult and bureaucratic organisation with which to deal. Network Rail had work underway to make it easier for other organisations to deliver station improvement projects, by streamlining and clarifying processes, establishing a risk fund for the industry and by Network Rail being willing to assume more of the risks (**Figure 4**). The Office of Rail Regulation had set out a way forward in a recently published policy document and also expected a Stations Code to be introduced in April 2006, to provide opportunities for real competition between Network Rail undertaking the improvement work and third parties doing it themselves.¹⁵

Figure 4: Barriers to investment in stations and the action being taken to tackle them

Barriers	Action being taken
Network Rail's procedures are seen as unduly complicated and inflexible, adding to project costs, long lead times between project design and delivery, and jeopardising funding packages available for limited periods of time.	Network Rail has consulted the industry on ways of simplifying procedures and in October 2005 the ORR published a high level policy framework for investment in rail infrastructure, including stations.
Network Rail seeks to avoid taking on risks associated with improvement projects for which it is not funded. But, the cost for other organisations insuring against the risks associated with improvement projects is high, discouraging investment.	Network Rail has proposed setting up an Industry Risk Fund to compensate project promoters and funders for risks associated with operational emergencies, safety critical events and changes in legislation and for capping liability for small schemes.
Network Rail is seen as displaying insufficient interest in developing franchised stations as it has no corporate targets or funding in this area.	Network Rail has been discussing with the Department and the ORR setting up an annual fund of up to £50 million for small scale enhancement projects costing up to £5 million, which might include station improvements.

Source: National Audit Office

14 Qq 1, 52, 157

15 Qq 11-12, 42

12. A key consideration in any business case for a station improvement project was the impact that the project was expected to have on passenger numbers and therefore revenue. This made it difficult to prove a business case for improvements at smaller stations. It was also difficult to place a value on improved passenger comfort and an improved station environment. Network Rail had identified opportunities for up to £4 billion to be invested in office, housing and retail developments at and around stations over the next 10 years, some of which would improve the fabric of the stations themselves. It would like to see stations better connected to their local towns and communities to maximise the chances of successful development and regeneration at and around stations. Where business cases took account of broader economic regeneration benefits, rather than more narrow passenger-based benefits, Network Rail's proposed approach would involve attracting private property and retail developers into deals to improve stations packaged together as clusters along particular routes. Development gains would therefore be spread more widely across stations of any size on the network, allowing the industry to cater better for passengers' needs. An industry working group set up by the SRA had been considering other options for encouraging more investment in stations, such as extending Network Rail's role to cover all repair, renewals and maintenance of stations as well as the more radical option of setting up station companies.¹⁶

16 Qq 73, 77–78, 96, 149–152, 212–213

Formal minutes

Monday 19 December 2005

Members present:

Mr Edward Leigh, in the Chair

Mr Richard Bacon
Greg Clark
Mr Ian Davidson
Helen Goodman

Mr Sadiq Khan
Sarah McCarthy-Fry
Jon Trickett

Draft Report (Maintaining and improving Britain's railway stations), proposed by the Chairman, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 12 read and agreed to.

Conclusions and recommendations read and agreed to.

Summary read and agreed to.

Resolved, That the Report be the Twenty-second Report of the Committee to the House.

Ordered, That the Chairman do make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned until Wednesday 11 January at 3.30 pm

Witnesses

Wednesday 12 October 2005

Page

Dr Mike Mitchell, Department for Transport, **Mr George Muir**, Association of Train Operating Companies, **Mr Nick Newton**, Strategic Rail Authority, **Mr John Armit**, Network Rail, and **Mr Chris Bolt**, Office of Rail Regulation

Ev 1

List of written evidence

Association of Train Operating Companies	Ev 23
Department for Transport	Ev 25
Strategic Rail Authority	Ev 26
National Audit Office	Ev 28
Association of Train Operating Companies	Ev 29

List of Reports from the Committee of Public Accounts Session 2005–06

First Report	Managing National Lottery Distribution Fund balances	HC 408 (Cm 6712)
Second Report	The regeneration of the Millennium Dome and associated land	HC 409 (Cm 6689)
Third Report	Ministry of Defence: Major Projects Report 2004	HC 410 (Cm 6712)
Fourth Report	Fraud and error in benefit expenditure	HC 411 (Cm 6728)
Fifth Report	Inland Revenue: Tax Credits and deleted tax cases	HC 412 (Cm 6689)
Sixth Report	Department of Trade and Industry: Renewable energy	HC 413 (Cm 6689)
Seventh Report	The use of operating theatres in the Northern Ireland Health and Personal Social Services	HC 414 (Cm 6699)
Eighth Report	Navan Centre	HC 415 (Cm 6699)
Ninth Report	Foot and Mouth Disease: applying the lessons	HC 563 (Cm 6728)
Tenth Report	Jobskills	HC 564 (Cm 6724)
Eleventh Report	Local Management of Schools	HC 565 (Cm 6724)
Twelfth Report	Helping those in financial hardship: the running of the Social Fund	HC 601 (Cm 6728)
Thirteenth Report	The Office of the Deputy Prime Minister: Tackling homelessness	HC 653
Fourteenth Report	Energywatch and Postwatch	HC 654
Fifteenth Report	HM Customs and Excise Standard Report 2003–04	HC 695
Sixteenth Report	Home Office: Reducing vehicle crime	HC 696
Seventeenth Report	Achieving value for money in the delivery of public services	HC 742
First Special Report	The BBC's investment in Freeview: The response of the BBC Governors to the Committee's Third Report of Session 2004–05	HC 750
Eighteenth Report	Department for Education and Skills: Improving school attendance in England	HC 789
Nineteenth Report	Department of Health: Tackling cancer: improving the patient journey	HC 790
Twentieth Report	The NHS Cancer Plan: a progress report	HC 791
Twenty-first Report	Skills for Life: Improving adult literacy and numeracy	HC 792
Twenty-second Report	Maintaining and improving Britain's railway stations	HC 535

The reference number of the Treasury Minute to each Report is printed in brackets after the HC printing number

Oral evidence

Taken before the Committee of Public Accounts

on Wednesday 12 October 2005

Members present:

Mr Edward Leigh, in the Chair

Mr Richard Bacon	Sarah McCarthy-Fry
Greg Clark	Jon Trickett
Mr Ian Davidson	Kitty Ussher
Helen Goodman	Mr Alan Williams
Ms Diana R Johnson	Stephen Williams
Mr Sadiq Khan	

Sir John Bourn, Comptroller and Auditor General, and **Mr Tim Burr**, Deputy Comptroller and Auditor General, National Audit Office, were in attendance.

Mr Brian Glicksman CB, Treasury Officer of Accounts, HM Treasury, was in attendance.

REPORT BY THE COMPTROLLER AND AUDITOR GENERAL

MAINTAINING AND IMPROVING BRITAIN'S RAILWAY STATIONS

Witnesses: **Dr Mike Mitchell**, Director General (Rail), Department for Transport, **Mr George Muir**, Director General, Association of Train Operating Companies, **Mr Nick Newton**, Chief Executive, Strategic Rail Authority, **Mr John Armitt**, Chief Executive, Network Rail, and **Mr Chris Bolt**, Chairman, Office of Rail Regulation, examined.

Q1 Chairman: Good afternoon. Welcome to the new session of Parliament, our first hearing of this Parliament and to the Public Accounts Committee which is dealing with the Comptroller and Auditor General's Report on Maintaining and Improving Britain's Railway Stations. We welcome Dr Mike Mitchell, who is the Director General of the Department for Transport's Rail Group and additional accounting officer; Mr Nick Newton, who is Chief Executive of the Strategic Rail Authority; Mr John Armitt, who is Chief Executive of Network Rail; Mr Chris Bolt, who is Chairman of the Office of Rail Regulation and Mr George Muir, who is Director General of the Association of Train Operating Companies. You are very welcome to our Committee. Mr Newton, could you please look at page 15, paragraph 1.11? The SRA was set up in February 2001, was it not? It was supposed to give the rail industry the strategic leadership it needed. Why is there still no strategy for modernising our railway stations?

Mr Newton: We focus on the priorities informed by the National Passenger Survey, passengers' priorities but also the priorities which are confirmed by government. We focus our strategic development of effort into those. They were particularly punctuality and reliability of train services, with an over-arching commitment to value for money.

Q2 Chairman: The honest answer is that stations were a low priority and a Cinderella service?

Mr Newton: They were a lower priority.

Q3 Chairman: Did you say to the National Audit Office when they arrived on the scene, "Why are you interested in what passengers want?"

Mr Newton: No.

Q4 Chairman: That is what I was told you said.

Mr Newton: I do not recall that.¹

Q5 Chairman: It is true that passengers' wishes and priorities are a low priority with you, is it not?

Mr Newton: No. We are informed by the National Passenger Survey that we spent an awful lot of time developing. It is a very valuable informant and our priorities are very much informed by what the National Passenger Survey told us passengers' priorities were.

Q6 Chairman: Would you look at page 17, paragraph 2.2? "There is no single, authoritative definition within the rail industry of what passengers want and need from stations, and what value they place on satisfying them." Why have you not found out what passengers want?

Mr Newton: Passengers' priorities are informed by the National Passenger Survey. I do accept that there is work to do in the context of addressing the priorities in a sensible, logical order and more work

¹ *Note by witness:* I recall that at the first meeting I had with the NAO, they said that they planned to procure a survey of passenger requirements. I queried this on the grounds that it was unnecessary because the existing National Passenger Survey already provided thorough, comprehensive and credible data of this kind.

DfT, ATOC, Network Rail, ORR and SRA

to do. Some of the Rail Passengers Council's plans are aimed at this to better understand what passengers' needs are but of course they need to be looked at in the context of what is value for money applying the published criteria which establish what is value for money.

Q7 Chairman: Dr Mitchell, could I refer you please to paragraph 3.4 on page 28? You will see it says, "... neither the SRA nor the Department defined what was a reasonable level of satisfaction." Obviously passenger satisfaction remains low for many stations in their standards and their facilities so what level of satisfaction are you aiming for?

Dr Mitchell: We have to be guided by what the Passenger Survey tells us and also the information that we are now receiving from the Rail Passengers Council. In particular I would refer you to the very recently published report *What Passengers Want From Stations*, which was published I think about a month ago. We are keen to work with them.

Q8 Chairman: Would you please look at page 5, paragraph 16? Could you please tell me who within your Rail Group has the appropriate seniority, authority and specific responsibility for taking forward the work on stations to ensure that momentum is not lost?

Dr Mitchell: This responsibility resides ultimately with me but we do have responsibility spread across a number of our directors.

Q9 Chairman: You are ultimately responsible, are you?

Dr Mitchell: Yes.

Q10 Chairman: Would you please look at page 45, paragraphs 4.30 to 4.32 under the heading, "The SRA, Network Rail and the ORR have started to tackle some of these barriers"? How are you working with the industry to take forward more innovative ways of funding station improvements?

Dr Mitchell: I think there are a number of ways we can do that. First of all, you will be aware that the high level output statement is being produced over the course of the next couple of years but, in the meantime, we are working with the RPC to ensure that we adequately represent what passengers are looking for. Like Mr Newton, we have to do that in the context of value for money.

Q11 Chairman: Mr Armitt, could you look at figure 14, "Stakeholders' views on Network Rail's barriers to investment in stations"? There is a list there of the barriers you are setting up against improvements on stations. Is what is set out here fair?

Mr Armitt: I think it is always fair to say that, being a large organisation, we are occasionally more bureaucratic than we ought to be and people dealing with us on occasions find us a somewhat large and difficult organisation to deal with so guilty as charged.

Q12 Chairman: Good. That is an honest answer. How are you going to remove these barriers?

Mr Armitt: One of the things we have done is to publish on our website a guide to third party dependent persons, as they are called, giving them contacts throughout the company who will deal with particular aspects so that they can access the company more easily. Also, in order to make life easier for people seeking to carry out developments, we have addressed the insurance issue and we are willing to take more of the risk ourselves and to take project risks which means that smaller organisations do not have to insure to the degree that they do. We have also removed what has in the past been a requirement for organisations to take an unlimited liability for the consequences of things which they may do on or around the railway. We recognise that that is unreasonable and we have taken more of the risk back to ourselves.

Q13 Chairman: Would you look please at page 32, paragraph 3.18? It says there that the figures show that a third of large stations do not have waiting rooms and 15% do not have toilets. Why is that?

Mr Armitt: To a large extent because they have not been there probably for the last 30 years.

Q14 Chairman: Is it a priority for you now?

Mr Armitt: It depends on the usage and to a certain extent decisions were made in the past that—

Q15 Chairman: We are talking about the largest and busiest stations here, without waiting rooms and a sizeable minority even without toilets.

Mr Armitt: The stations which carry probably 80% of passengers will have toilets and will have waiting rooms.

Q16 Chairman: It is now a priority with you, is it?

Mr Armitt: It is a priority to make sure we get the right things on stations to meet passenger demand.

Q17 Chairman: Mr Bolt, could you look at recommendation 17(vi) and (vii) which you will find on page 7? Could you tell the Committee how you are assessing whether station improvements could be done cheaper, easier and quicker?

Mr Bolt: We are making sure that the arrangements John Armitt has described for Network Rail make it easier for third parties to fund investments and take them forward. We have been given commitments by Network Rail on both the dates of those new arrangements being in place and we will monitor them to make sure that they work in practice. There is another point which is to make it easier for other people to carry out some of these projects themselves. That is part of the programme of work in the Stations Code and Investment Guide which we published recently, so that there will be some real opportunities for real competition compared with Network Rail doing the work themselves.

Q18 Chairman: Mr Muir, could you please look at paragraph 3.13 on page 31? Obviously, many of these train operating companies also run buses. Why can they not get their act together to coordinate train and bus timetables?

DfT, ATOC, Network Rail, ORR and SRA

Mr Muir: Needless to say, bus operators have a strong incentive to coordinate with trains in order to maximise the number of passengers on the buses, but it can be difficult to do so when you have buses travelling from one place to another. It is something that people are very aware of and I think certain things have been improved.

Q19 Chairman: Lastly, it is always of value when Members of Parliament bring their own local experiences. Can I pass some photographs of Market Rasen Station in my constituency, which my colleagues can look at? You will see that is the waiting room which is in a disgusting state, full of graffiti. The operating company, Central Trains, has disgracefully done nothing to repair the waiting room for years. Why apparently are you completely powerless against a train operating company that treats its customers with such grotesque disdain?

Mr Muir: I have no power.

Q20 Chairman: Who does have power? As a local Member of Parliament I have written to Central Trains and we are talking about stations here. This is just one example. Other colleagues will have their own examples in their own constituencies. I have written to Central Trains and they refuse to do anything about it. Is there nobody in this heavily subsidised industry, working on behalf of these taxpayers, my constituents, who can force them to do something about this? The truth is, is it not, that they have taken their profit from the passengers in the East Midlands all these years; they are giving up their franchise and they do not care a damn about people? Have you seen those photographs? That waiting room is disgusting, is it not?

Mr Muir: The waiting room is disgusting. The person with authority in the case of franchise companies is now the Department for Transport.

Dr Mitchell: I have responsibility for that.

Q21 Chairman: What are you doing about it?

Dr Mitchell: The franchise companies are controlled through the franchise agreements and in every case there is a restriction in the franchise agreement on the condition that they leave the station in. Every train company has targets in terms of what they have to do and what they are providing. We exercise those through our franchise managers and our contract managers and we will follow that one up.²

Q22 Chairman: Will you please ensure that the directors of Central Trains who have earned a very good profit in recent years from the public are never allowed again to run a railway company if they treat the public with such disdain as that?

Dr Mitchell: We take the franchise business in terms of what they promise to do and our obligation is to make sure that they deliver what they promise. I am quite sure that Central Trains will have promised to keep stations in good condition and we will follow it up.

Chairman: Thank you very much.

Q23 Jon Trickett: On that last point, who is responsible for assessing the franchises?

Dr Mitchell: I am.

Q24 Jon Trickett: Can you explain to me how the Northern franchise, which covers my area, makes no provision whatsoever for station enhancement?

Dr Mitchell: The Northern franchise has an agreed programme of station improvements which they have just started on. As you will be aware, the Northern franchise only started a few months ago.

Q25 Jon Trickett: Can you tell me why the Northern franchise has no provision for station enhancement? That is what I am told by the local Passenger Transport Authority.

Dr Mitchell: It is not part of the franchise agreement that they do every station enhancement but they have a duty to keep the stations in good order.

Q26 Jon Trickett: What priority do you make in assessing a franchise to a financial provision within that franchise for station enhancements?

Dr Mitchell: It is one of the features that we look at in evaluating a franchise bid.

Q27 Jon Trickett: What priority do you give to that?

Dr Mitchell: It is given a priority within a whole host of other priorities.

Q28 Jon Trickett: That means a low priority.

Dr Mitchell: No, that is not the case.

Q29 Jon Trickett: What does it mean?

Dr Mitchell: It is given a priority among many. As you may appreciate, there are a lot of things within a franchise bid which have to be evaluated, ranging from the quality of the train services to the overall affordability of the bid, to the attention given at stations, to the plans for dealing with passenger complaints and a whole load of other things.

Q30 Jon Trickett: I am told that the Northern franchise makes no financial provision at all for station enhancements.

Dr Mitchell: That may well be true but the franchise will have an obligation to keep the stations in good condition. In other words, they have a duty to keep the stations in the condition in which they found them.

Q31 Jon Trickett: Your previous answer which I took to imply that there was some provision within it for station enhancement I obviously misunderstood because you are now saying it may have no provision at all for station enhancement.

Dr Mitchell: No. There will be certain stations within the franchise agreement which will be part of the franchise enhancement. If I can refer you to the Trans-Pennine franchise which operates in the same area, they have an obligation to increase the availability of passenger waiting rooms, lifts at stations and so on and they are in the process of delivering that.

² Ev 23

Q32 Jon Trickett: Could you provide a note to the Committee to tell us whether or not there is financial provision within the Northern franchise for station enhancement?

Dr Mitchell: Yes, by all means.³

Q33 Jon Trickett: The other day I was called to Mawthorpe Station on my patch—I have a number of railway stations, all of them are unstaffed in rural areas so they have a particular character—by a chap in a wheelchair who was going to his auntie’s funeral but was unable to get onto the train from the platform. There appears to be very slow progress in relation to the Disability Discrimination Act. Upon whom do the obligations of the Act fall?

Dr Mitchell: The immediate obligation is on the train company and on Network Rail because Network Rail own the stations. However, the government are providing £370 million towards the cost of Disability Discrimination Act compliance and their aim is to have compliance by 2015. Again, it has to be done in terms of what is value for money and what is supportable at any one time. We are prioritising these in association with disabled groups.

Q34 Jon Trickett: It is a disgrace, is it not, that a person going to a funeral is unable to get there?

Dr Mitchell: It is very unsatisfactory.

Q35 Jon Trickett: I am told that the vast bulk of the expenditure of that money you have described is taking place in the South East of England. Is that correct?

Dr Mitchell: I do not have any figures on that.

Q36 Jon Trickett: Are you able to provide the Committee with a note of the distribution by region of how that is being spent because I am told the vast bulk of it is going to a single region and I think that is unfortunate since there are disabled people in every part of the country. I wonder how that kind of prioritisation is taking place.

Dr Mitchell: The prioritisation has not been done yet. We cannot provide that information immediately.

Q37 Jon Trickett: I am told you know where your spending plans are for disability.

Dr Mitchell: We do not.

Q38 Jon Trickett: You have no idea at all where you will spend the money?

Dr Mitchell: We know where money has been spent up to now but I think you were asking about the £370 million and where that is prioritised. We have not done the prioritisation for that yet.

Q39 Jon Trickett: Maybe you could indicate where the money has been spent to date by region, giving aggregate figures, and how that prioritisation was made. I am told that when a station improvement takes place—going back to my constituency, I think

it exemplifies the complex nature of what is happening here—the additional net revenue costs fall to the train operator and often there will be additional net revenue costs of one kind or another. Is that right?

Dr Mitchell: Yes.⁴

Q40 Jon Trickett: If that was to take place late in the franchise because enhancements take place over a number of years, the shortness of time left for the franchise operates as a perverse incentive against development towards the end of the franchise. Can I ask if you reflect on it?

Dr Mitchell: First of all, a franchisee has an obligation to return the stations in the same condition as they found them. In other words, the dilapidations.

Q41 Jon Trickett: I am asking about enhancements.

Dr Mitchell: In terms of certain enhancements, these can be designated as franchise assets and carried forward but we would expect that the franchisee would look to make improvements in such a way as to gain extra passengers, as a commercial incentive in some stations. It has to be recognised though that in some stations that commercial incentive will not exist.

Q42 Jon Trickett: If the enhancement has a 20 or 25 year life and the franchise only has two or three years to run, the fact of the matter is that it is unlikely to take place, is it not?

Dr Mitchell: There is a small fund of £50 million a year which is available for Network Rail to enhance stations, so there is a means of plugging this to some extent. It is not in itself an argument for long franchises.

Q43 Jon Trickett: It is an argument for restructuring the way in which things are financed though. In the case of South Anston Station and Featherstone Station in my constituency, they are in a filthy and disgraceful condition. The fact of the matter is that the franchisee, as far as I know, has made no provision—nor has anybody else—to carry out the necessary enhancements. They have not even been able to maintain standards. Can I ask you about car parking because the objective of all of this is to get more people off the road, I guess. How do enhancements to car parking take place? How are they financed?

Dr Mitchell: These are for individual train operators to decide upon. It is up to them to make the commercial decision where car parking should be provided. There is also a provision that local authorities may well contribute towards that.

Q44 Jon Trickett: The Department must have a view that it needs to increase the number of car parking facilities, particularly at small, rural stations, and to make them more secure. There do not seem to be any financial arrangements which allow that to take place.

³ Ev 26

⁴ Ev 27

DfT, ATOC, Network Rail, ORR and SRA

Dr Mitchell: There is the safer parking scheme and we are looking at identifying the 100 highest crime car parks at stations on the rail network with a view to negotiating improvements so that they can meet the standards of the safer parking scheme. In terms of car park provision, there is no provision within the franchise agreement for the franchisee to provide additional car parking at stations but it is in the interests of the franchisee to do so.

Q45 Jon Trickett: At Fitzwilliam Station in my constituency nobody, almost, in their right mind would leave a car there because it is so unsafe, notwithstanding the fact that we are trying to get CCTV and all the rest of it. It seems to me that we need to get people out of their cars. The villages I represent are being clogged up, similar to the nation as a whole, and without car parking we are not going to get intermodal shifts, which are required. In Hemsworth, which is the main town in my constituency, there is no station although there is a Station Road. It would be nice to have a station to complete the facility. There does not seem to be any financial provision for new stations in areas like that. How are we ever going to get more people in Hemsworth to use the train if there is no station and there seems to be no financial provision? What are you doing about that?

Dr Mitchell: It is a question of value for money. There are many proposals for new stations which we see, which the franchisees see and which Network Rail see. These are all evaluated on the basis of which offer the best value for money.

Q46 Helen Goodman: Mr Muir, I wonder if I could draw your attention to paragraph 4.27 on page 44 which says that in response to the NAO survey 16 train operating companies said that the short length of their franchise term discouraged them from investing in stations. Would you like to comment?

Mr Muir: Yes. A short franchise does to a degree discourage but it certainly does not prevent. The discouragement is merely that to organise an investment in a station is a lot of management effort and if you only have 18 months to go maybe you will not put the management effort in, but it does not prevent it happening. An example is that South West Trains only a few weeks ago announced the conclusion of £300,000 investment in Basingstoke Station, even though their franchise ends in March. The reason they are able to do that is that they have agreed with the SRA that that will be what is called a primary franchise asset. That is, at the end of their franchise at the end of March, the book value of that franchise gets handed over to the next one.

Q47 Helen Goodman: You are saying that some of the time it is a real priority and some of the time it is not?

Mr Muir: Correct.

Q48 Helen Goodman: Mr Newton, would you comment on that? Would you comment on why a system has been set up which does not provide incentives across the board for train operating companies?

Mr Newton: The designated franchise asset process was in the original franchise agreements in 1995. That was a fundamental recognition of the long term nature of a lot of railway assets. It gave the existing franchisee the comfort that by investing in a longer life frame asset, at the end of the franchise, they would get the value for that. Clearly, it is back to this value for money issue. A franchisee has to come to the Authority and request designation. If the Authority does not believe that the investment in the asset is value for money, it will not agree to designation. There are a number of other factors that tend to operate in this. There is an issue about management effort. The other thing against that is that most of the franchisees have an aspiration to win back the franchise, be successful in competition and it is therefore in their interests to demonstrate that they have a continuing commitment and they do not allow the franchise to decay towards the end.

Q49 Helen Goodman: Would you say that for the train operating company the incentive to have this recognised on the final balance sheet operates better in theory than in practice?

Mr Newton: Where the investment is value for money for the taxpayer, I think it operates effectively.

Q50 Helen Goodman: We have already heard that in a large number of cases it is not an effective incentive.

Mr Newton: The example George uses is the management effort. Certainly towards the end of the franchise if the management are distracted by the competition, that is possible although a legitimate project management effort ought to figure in the cost line of any business case which justifies value for money.

Q51 Helen Goodman: What would you say was the payback period for investment in a railway station?

Mr Newton: It varies, depending on the nature. If you are looking at high technology ticket machines, the asset life has changed dramatically and, with the technological development, you are probably looking at three or four years. If you are looking at something quite structural, you are probably looking at 10 years but that is really a stab in the dark. The important thing is that the franchise asset designation is an effective device to encourage sound value for money investment in assets.

*The Committee suspended from 4.01pm to 4.14pm
for a division in the House*

Q52 Mr Bacon: There are so many of you here with responsibility, five of you, and you all seem to have something to say, otherwise you would not be here. It did strike me that one of the themes of this Report is that there does not seem to be any overall direction

DfT, ATOC, Network Rail, ORR and SRA

or control of strategy for improving stations and that was somehow reflected in the fact that there are so many of you here today. Would you like to comment on that?

Dr Mitchell: Yes. The Department for Transport is preparing a high level output statement for railway policy going forward, particularly for the period 2009 to 2014, with probably a more general look 10 years beyond that. Alongside that we are preparing a station strategy to address the very issue you have referred to.

Q53 Mr Bacon: Could I ask about paragraph 3.8 on page 28 which refers to the fact that increasing numbers of stations provide real time information on the progress of trains as they move along the tracks. Presumably this is the equivalent of sat-nav in reverse. It beams the position of the train to a central server which puts it out to the stations?

Dr Mitchell: It has the same effect, yes.

Q54 Mr Bacon: Why is it only in some? Might it not be relatively easy to make sure that it is in all of them?

Dr Mitchell: It is a question of prioritisation of funds. In an ideal situation I would agree with you.

Q55 Mr Bacon: How much does it cost to do in each station?

Dr Mitchell: I would have to refer to Network Rail.

Q56 Mr Bacon: Could you send us a note?

Dr Mitchell: It is not a huge cost.⁵

Q57 Mr Bacon: I would have thought not. Relative to the overall cost of the train, a mini reverse sat-nav would be a relatively small cost, just like sat-nav in a car is a relatively small cost. Presumably it is electronic information that then has to be collated and put out on monitors so somebody can read it?

Dr Mitchell: Mr Armitt would be better placed to give an answer to this possibly than I am but a lot of the cost is inevitably to do with cabling and installation of the equipment. It is not directly comparable to a sat-nav in a car. It is a bit more extravagant than that.

Q58 Mr Bacon: This may be a question for Mr Muir. The Report refers on page 30 to the fact that at 39 of the 60 medium sized and small stations visited by the NAO had a public address system but at 21 of those it was not being used to announce train departures or arrivals. Why are train operating companies not using the infrastructure that is already there to give basic information to passengers?

Mr Muir: There are some reasons why PA systems are not used which I will explain but that high number does surprise me and I would like to know why it is so high. The reasons why PA systems might exist but not be used are, for example, at some small stations the PA announcements might be made by the person in the booking office. Very often, he would be selling tickets and would not be

announcing the trains. He has to make a judgement as the morning goes on. Does he announce the train or does he continue selling tickets? There are other reasons why they might not be used. For example, they might be broken. That is a bad reason but in some cases that might be the case, or there might be long line PA systems whereby a whole number of stations are all connected up to the one line and at these stations the announcements are not well set up now to make specific announcements for each station and they therefore tend to be used for more blanket announcements like security announcements.

Q59 Mr Bacon: With one person sitting in one place, doing it all, that would not be appropriate?

Mr Muir: That is right.

Q60 Mr Bacon: If you have a member of staff in a medium sized station, presumably they ought to have capacity for informing passengers?

Mr Muir: That is certainly true and in large stations there are dedicated people whose job it is to make announcements.

Q61 Mr Bacon: Could you find out why this number is so high and put a note in?

Mr Muir: Yes.⁶

Q62 Mr Bacon: The next question is about information to passengers. Paragraph 3.9 says that satisfaction with the provision of information at stations was generally high although lower at times of disruption to train services. It is precisely when there is disruption that everyone wants information. We have all had experiences of precisely those moments when the train service is not operating properly and no one knows what is going on or appears to know what is going on. Why is it that when things are disrupted staff are not able better to communicate with passengers?

Mr Muir: The information during disruption is our single greatest challenge in providing better passenger information. In other respects, all the graphs show much better information for passengers. The fundamental reason is that during disruption nobody does know what is likely to happen. You have disruption and what the passengers want to know is: is my train going to arrive in 40 minutes or an hour and 40 minutes? In truth, nobody knows.

Q63 Mr Bacon: I accept they will not know because they will not necessarily know how soon the problem is going to be cleared but they know what the problem is.

Mr Muir: Yes.

Q64 Mr Bacon: Even transferring that information to passengers has to be better than nothing, has it not?

⁵ Ev 27

⁶ Ev 23

DfT, ATOC, Network Rail, ORR and SRA

Mr Muir: That is quite true.

Q65 Mr Bacon: And yet it does not happen.

Mr Muir: In general all the indications of passenger satisfaction are going up, including satisfaction with information during disruption. In small stations, if you look at the disaggregation, the satisfaction is really quite high but it is true that the things we can do we do not always do well enough and things that are fundamentally difficult like forecasting the results of disruption we have a lot of work to do on.

Q66 Mr Bacon: I have a question on information available about punctuality and the percentages of punctual trains which train operating companies publish. I am not sure if this is a question for you or for Dr Mitchell. My local train company is One, which runs between Liverpool Street and Norwich and they say that they are about 86 or 87% reliable. Who imposes that regime on them, where they have to report? Is it the SRA?

Dr Mitchell: It is now the DfT. The DfT impose a target and the responsibility for delivering the target lies with Network Rail. Network Rail work with the train operators jointly to produce the result we are looking for.

Q67 Mr Bacon: In terms of the information, 86% is an aggregated figure. We ran 350 trains and 86% were on time. What we have found in Norfolk—it has become quite a controversial issue—is that what people really want to know is the punctuality of the main commuter trains between 6.30 and 8.30 in the morning and between 4.30 or 5 o'clock and 7 in the evening. You cannot get a number for those. All you can see, as happened earlier in the summer in one infamous week, is that four trains were cancelled on successive dates, Monday through Thursday and plainly, whatever it was, it was not 86% punctuality. Can you not impose on the train operating companies an obligation simply to publish the actual departure time and the actual arrival time of every train?

Dr Mitchell: That would be a huge undertaking.

Q68 Mr Bacon: Why?

Dr Mitchell: Obviously the information is known.

Q69 Mr Bacon: That is the point. It is known, but it is not disaggregated.

Dr Mitchell: The train companies and Network Rail have made huge steps in terms of improving punctuality to move it from around 80% up to in excess of 85%.

Q70 Mr Bacon: You are giving the same answer as One. What I am interested in is getting disaggregated information on individual trains so that you can say, on the 6.58 from Diss to London Liverpool Street, if you take 15 of those trains over a period of 15 working, business days, how many were on time. That is the information passengers are looking for. We had a meeting with One to discuss it and they say it is not in their commercial interests to reveal this information. Why can you not force them to?

Dr Mitchell: I can only force them to do it if it is part of the franchise agreement and it is not currently part of the franchise agreement. Having said that, we are looking at ways in which we can improve the availability of statistics such as those you mention. We have been talking to the RPC about what kind of statistics they think are meaningful for passengers and that could include other measures such as delay on a journey, not just arrival times at the end of a route. I am very unwilling to ditch the passenger performance figure because it is a well known figure.

Q71 Mr Bacon: Could you add further information?

Dr Mitchell: Yes.

Q72 Mr Bacon: Mr Armitt, a splendid and very encouraging press release came out two days ago. You have been Chief Executive for almost exactly three years this month?

Mr Armitt: I have been with Network Rail for three years.

Q73 Mr Bacon: I know you have had a lot of problems to cope with, with Hatfield and everything else. I have one question about the clusters that you are proposing, instead of small, piecemeal upgrades, inviting developers to bid for clusters and offering them as attractive packages. On page 45 I think it says, "It is difficult to construct a business case for some station improvements." Are you expecting that the developers who take on these clusters will effectively cross-subsidise some of the station improvements so that they all get done?

Mr Armitt: That is exactly the objective we are seeking to achieve. By offering real opportunity where there is a real business opportunity for a developer, some of the benefits of that will be used to cross-subsidise stations where there is not necessarily a commercial property development opportunity but where clearly money needs to go.

Q74 Chairman: In the press release on 10 October Network Rail has announced plans to launch an ambitious, multimillion pound, 10 year modernisation scheme for stations. That is nothing to do with your appearance today, is it, Mr Armitt?

Mr Armitt: It is to a degree. We have just come back from the party conferences. We have been talking about this for several months, particularly to the property sector. When we were at the various conferences over the last couple of weeks, a number of MPs said to us, "We have heard about this. What exactly is the situation?" so it was right that we should make a full statement. It is clearly part of our objective and we thought that Members of this Committee should be aware of what we were doing and therefore making an announcement before today seemed sensible.

Chairman: We are very grateful that just by sitting here we have encouraged a multimillion pound investment.

DfT, ATOC, Network Rail, ORR and SRA

Q75 Helen Goodman: Dr Mitchell, I was asking about the rather shaky incentives on train operating companies given that the payback period is different from the franchise length. Do you have it in mind to reconsider this system?

Dr Mitchell: We have thought very carefully about the length that a franchise should be. Originally, about four or five years ago, there was a thought about going for a 20 year franchise and in fact Chiltern Trains has a 20 year franchise. However, there are some serious difficulties in having such a long franchise. First of all, from the point of view of the train company, you are required to predict revenue 20 years ahead and that is a very risky prospect. Having been in that position when I worked at First Group, they did not value the idea of trying to predict what the revenue would be like in 20 years.

Q76 Helen Goodman: I accept that but what about changing responsibilities? Who is responsible for investing in railway length. Do you have it in mind to reconsider this system?

Dr Mitchell: The responsibility is initially with Network Rail because they are the station owner. The franchisee is the station facility owner in most cases, except in 17 specified, large stations.

Q77 Helen Goodman: Mr Armitt, what do you think about the suggestion on page 46, box 15, of extending your role to cover all repairs, renewals and maintenance at stations?

Mr Armitt: It is something which we would be prepared to accept. We have argued in the past that there could be some logic in it and there are two sides to this argument. As the national network owner, you could say that we are dealing with the long term interest. We own the stations and therefore would it not be appropriate for us to carry out not only the major repairs, renewals and enhancements but also the day to day maintenance. That has, I know, been thought about in the past. The counter argument is that the train operating companies have a day to day, face to face relationship with passengers and are on the receiving end of complaints about when is the waiting room going to be painted. Therefore arguably they are in a better position on a day to day basis to understand that and get on with it.

Q78 Helen Goodman: Are you saying that you are even less enthusiastic about what the NAO call the radical option of setting up a station company that would be wholly responsible for railway stations?

Mr Armitt: I am totally unenthusiastic about that.

Q79 Helen Goodman: Mr Newton said earlier on that investment was driven by value for money and rate of return. Do you have estimates on how many extra passengers and how much extra revenue you would get from investing in station upgrades?

Mr Armitt: If you are considering a station upgrade, that is part of the equation. A classic example a couple of years ago was Swindon, platform four which improved the capacity of Swindon station and the operation of the station was more effective. There were benefits to us in terms of making the

station more effective and efficient to operate. There were benefits to First Group, the train operator, because they could see they could raise revenue off the back of having an additional platform. Those benefits alone were not sufficient to pay for Swindon, platform four, so the Department for Transport came along with SRA and put in the other third. It was paid for a third by us, a third by the operator and a third by the government which met the total expenditure.

Q80 Helen Goodman: In paragraph 3.16 on page 32 there is an estimate of greater passenger numbers of 11% when passenger safety improves. Do you think that is the sort of increase in passenger numbers that we could expect if we had across the board improvements in the quality of railway stations?

Mr Armitt: I have not seen the research. I feel I am not qualified to comment.

Q81 Helen Goodman: Dr Mitchell?

Dr Mitchell: I think it is one of the parts of the incentive on passengers. Clearly personal security at stations is a very important issue for passengers.

Q82 Helen Goodman: What about that kind of increase in the level of passenger journeys? Is that the right ball park figure?

Dr Mitchell: Over the course of six years, 11% is surprisingly high. The passenger growth per year is about 5% to 8% on most franchises and 16% in one or two, but I would be surprised if that measure alone caused that sort of increase. However, it is obviously a factor in generating an increase in passenger numbers.

Q83 Helen Goodman: When I travel to my constituency in County Durham from London, I can get to King's Cross by bus but when I get to Darlington, which is a regional hub, there are no buses to the constituency at the railway station. Within my constituency in the two railway stations at Shildon and Bishop Auckland there is not even a bus stop. There is no possibility of integrating the bus and the rail journey that I have to take. There are three different rail companies involved in this and two different bus companies. From your strategic position in the Department for Transport, how would you set about tackling that problem?

Dr Mitchell: From the point of view of the Department for Transport we are keen to see further integration and improved integration at railway stations. However, most bus services in the UK outside London are provided by a deregulated industry, where bus companies are entitled to operate or not operate as they see fit. The only exception to that is where local authorities choose to provide socially necessary bus routes which may include links to stations. That is not within my power to influence directly.

Q84 Helen Goodman: You are saying that, despite the fact that you are responsible for the strategy on this, you do not have any leverage whatsoever to improve the integration between rail and bus?

DfT, ATOC, Network Rail, ORR and SRA

Dr Mitchell: We have limited leverage. As Mr Muir mentioned earlier, it is in the commercial interests of some companies where there are major traffic flows. I am thinking of between, for example, Taunton and Minehead where there is a major flow of passengers and a very good bus service which runs every half hour. In those cases it is worthwhile. I know that my old company has produced a very effective integration leaflet which shows how one gets from rail to bus in the west of England and south Wales. It can be done.

Q85 Ms Johnson: I would like to explore disability issues a little more. In particular I want to look at paragraph 3.11 on page 30 of the Report, the section dealing with information systems. The reason I am particularly interested in this is because I had a hearing impaired constituent who came to me and explained to me that she had a great deal of problem travelling by train in my constituency. I was surprised to see the percentages therefore. First of all, 39% of stations have electronic passenger information systems and 65% have public address systems. I want to know why in this day and age we are not at 100% for both of those because they do help people with disabilities, visual and aural.

Dr Mitchell: I could not agree more. In an ideal world, we should have that kind of provision. It is the sort of thing that people have come to expect and deserve. It is purely a question of prioritisation, the availability of money and assessing each scheme on a value for money basis. We have an obligation to address all these issues by 2015 and there is a £370 million fund to help with that.

Q86 Ms Johnson: This £370 million has been set aside. Is it prioritised? Do we know what is going to be done first, which station or what kind of facilities will be made available?

Dr Mitchell: No, we have not completed the prioritisation for that. A small sub-department within the Department for Transport is working on that as we speak and I am hopeful that will be completed very shortly.

Q87 Ms Johnson: At the moment, in order to get an information system up so that people who are hearing impaired can read what has happened to the train and where it is, do the train operating companies who run the stations have the money to do that?

Dr Mitchell: I would not like to give the impression that the £370 million is the only money available. Some of the train operators and indeed Network Rail are providing such facilities outside the scheme. The £370 million is a contribution towards that.

Q88 Ms Johnson: You are encouraging train operating companies to do that?

Dr Mitchell: Yes.

Q89 Ms Johnson: In order to find out when Hull is likely to get this information system, that is a matter for the train operating company that is managing Hull? Is that right?

Dr Mitchell: That is correct.

Q90 Ms Johnson: I would need to press them and also come back to you?

Dr Mitchell: That would be Trans-Pennine Express who are dealing with that. I know they have £12 million for an upgrade of stations in their area and they are in the process of doing a number of things to the stations.

Q91 Ms Johnson: The £12 million is an upgrade across the board? It is not for the disability issue?

Dr Mitchell: The £12 million is the enhancement budget for Trans-Pennine Express but they have an obligation within the franchise agreement to deal with a number of disabled issues such as, for example, lifts at Warrington Station and improving access to waiting rooms at Huddersfield and other places.

Q92 Ms Johnson: I also wanted to ask about figure 11 on page 33 of the Report. I was particularly looking at toilets and toilet facilities. As you go across the columns, obviously the number of stations that have toilet facilities reduces dramatically. Clearly, some are very small stations. Is there a view that all stations should have toilet facilities?

Dr Mitchell: No. That is not the position. There is a difficulty with providing toilets, particularly at unstaffed stations because of the difficulties with vandalism and so forth. There have been cases in the past where we have had to withdraw facilities because of the amount of vandalism. The provision of toilets at particular stations is a matter for the train company and enhancement is a matter of value for money.

Q93 Ms Johnson: I imagine with the older stations that if there were toilets they were part of the building. I want to know about the toilets that you see on the streets, where they are self-contained. I wonder if that option has been looked at because it seems to me we have toilet facilities outside stations. We need this facility, because for older people especially and families it is very difficult.

Dr Mitchell: This is a French style toilet. We should be open to that kind of idea. Thank you very much.

Q94 Ms Johnson: Can I ask you about security and safety? It is paragraph 3.20 on page 32. I wanted to explore whether there is any joined up thinking between the stations, the local police and British Transport Police. In Hull in particular we have community wardens who are very successful and now there are the Police Community Support Officers as well. I am wondering what relationships exist and whether there has been any attempt at using some of the antisocial behaviour legislation to deal with some of the people who are causing problems at stations and who seem to be doing it on a fairly regular basis.

Dr Mitchell: I think I am right in saying that the first ASBOs were used by British Transport Police in the West of England. I may be wrong. Transport Police

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are very active in using Antisocial behaviour orders to control nuisance people at stations, aggressive beggars and such. British Transport Police have also been very active in developing Community Support Officers so they are looking, not only with the train companies but with the Home Office police forces, to attend to the problems you mention.

Q95 Ms Johnson: Of course there are not police at every station, are there? British Transport Police cannot cover every station, so the use of community wardens and other wardens which exist may well be a way forward.

Dr Mitchell: It could be. The majority of the Community Support Officers are in London because most of the crime is in the London stations and in the principal stations such as Birmingham, Leeds, Manchester and so on, but there is clearly an opportunity for more.

Q96 Ms Johnson: I also just wanted to ask about the nice picture of Leipzig railway station on page 43. It is explaining there a separating out of retail from operational within stations. We were discussing the press release and I just wondered is the idea of it that in some of the stations we will have that separation? Again, looking back at Hull, Hull is a large Victorian station, it is very underused in terms of its space and it could be really developed as part of a retail shopping mall, I guess. At the moment it is purely used as a railway station. I just wondered if there was any thought about using European models?

Mr Armitt: Yes. Retail opportunity is clearly one which we exploit as much as we can in the major stations which Network Rail control directly themselves. Of course, at the moment, Hull is undergoing major refurbishment and there is a new development taking place alongside it which will link in with buses and anything else. Hull is quite an exciting station. I am surprised to hear that it has not got an announcement system; I will follow that up. The interesting thing about Leipzig is when you look at the numbers quoted on this illustration, of that 160,000 people passing through each day, 40,000 actually get on the train. So what we have got here is a shopping centre with some platforms set on the top as opposed to the other way round. Clearly, it is a major opportunity and the objective is to try and get stations more and more as part of the community. Whether it is offices, whether it is retail or whether it is clinics—in some of the major stations in London now, you can go and see the doctor on the station—integrating a station into the general fabric of the community in the towns is something we would encourage all the time.

Q97 Chairman: 120,000 passengers a day, what would that relate to in England?

Mr Armitt: Here it is 120,000 that are not rail passengers.

Q98 Chairman: Leipzig, in terms of rail passengers, what would it relate to in England?

Mr Armitt: 40,000 a day.

Mr Muir: Waterloo is 200,000, so this is a quarter of Waterloo.

Q99 Chairman: Give us an example other than London.

Mr Armitt: Chairman, at a guess I would say Doncaster.

Q100 Chairman: I thought Doncaster might be a good example. I know Doncaster railway station and Doncaster is not like that. Will you promise me that you will make Doncaster like that?

Mr Armitt: As you know, Chairman, at the moment Doncaster station is having a very large retail facility built right alongside it with a bridge which links across from that retail facility into the station, so Doncaster will get close to it.

Chairman: I am sure the good people of Doncaster will believe that.

Q101 Greg Clark: Dr Mitchell, what financial provision is there for station enhancement in the Integrated Kent Franchise bid currently being pursued?

Dr Mitchell: The integrated Kent bids are currently being evaluated, so I do not have that information at the moment.

Q102 Greg Clark: Presumably if it is part of the tender process, you would need to look at that?

Dr Mitchell: The tenderers—of which I believe there are four—have been invited to make proposals for that.

Q103 Greg Clark: It is a fixed tender, does the tender specification include a financial contribution to station enhancement?

Dr Mitchell: I do not have that information.

Q104 Greg Clark: Can you write to us with that information? In evaluating the bids, if bidders were to go beyond what was the minimum in terms of station enhancement, would that count in their favour?

Dr Mitchell: The bids are assessed on the basis of the base bid first to establish a winner and then we look at each enhancement proposed on a value for money basis to see whether it meets an affordability criteria and also whether it offers value for money as an individual scheme.⁷

Q105 Greg Clark: If an operator wants to invest more in stations, will that count in their favour?

⁷ *Note by witness:* The Integrated Kent Franchise is currently being competitively tendered. It is intended to announce the successful bidder before the end of the year. The specification issued to bidders does not require them to carry out improvement works to stations. If such enhancements were value for money, the Department would expect them to be funded via Network Rail, as the station owner, rather than through the franchise agreement with the operator. The franchise will contain clear requirements to clean and maintain stations throughout the life of the franchise, and to return stations in good condition at the end of the franchise. A minor works budget will be established when the franchise is contractualised.

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Dr Mitchell: It would be taken account of in the development of the bid once we select a winner.

Q106 Greg Clark: We are quite sensitive to this in Kent because we had a very bad experience with Connex Southeast which had its franchise removed. One of the reasons there was such dissatisfaction was the poor quality of investment in stations. I hope I might have your assurance that the quality of the station provision would be taken very seriously by the Department when it makes these decisions.

Dr Mitchell: Indeed it is. We take account of that when we pre-qualify the bidders for the franchise in the first place and it will be taken account of in the assessment of the bids.

Q107 Greg Clark: I understand Mr Muir was the Managing Director of Connex Southeast during some of this period and now represents the Association of Train Operating Companies. From this vantage point, do you have any explanation of why it was such a disaster at that time and what Dr Mitchell might take from the experience of Connex to make sure it does not happen again?

Mr Muir: The financial subsidy profile, as bid by Connex, started off at a reasonable level and declined over the 15 year period. It came to a point when the subsidy was increasingly low and the estimates made at the time of the bid simply turned out to be mistakes and Connex ran out of money.

Q108 Greg Clark: The lesson is that the cheapest bid is not always the best value.

Mr Muir: Certainly in that case, if you run out of money, you cannot invest in stations.

Q109 Greg Clark: Can I ask questions about disability access. Mr Armitt, on present progress, how long would it be before all stations are DDA compliant?

Mr Armitt: The target has been set for 2015 and that is probably not an unrealistic target. We have the £370 million which has been mentioned and it will also be something which the regulators will be able to take in account. The periodic review of 2009–14 of £370 million is not going to provide DDA at all stations.

Q110 Greg Clark: That is similar to the answer you gave to Mr Trickett. Can I refer you to paragraph 4.12 of the Report. It says that by 2015, 240 of the busiest stations would provide a step-free access to passengers. My calculation is that there are 2,500 stations across the country, so we are saying rather than being completely DDA compliant—in your response to Mr Trickett—less than 10% of stations are going to be step-free by then.

Mr Armitt: This is the SRA's consultation paper. I think the Department have said that they would expect them to achieve compliance by 2015.

Q111 Greg Clark: Of all stations?

Dr Mitchell: Correct.

Q112 Greg Clark: How can we account for the discrepancy which the SRA consultation paper is suggesting, that 10% of stations are going to be compliant by 2015 based on some of the money which has been made available when both Dr Mitchell and Mr Armitt are now telling me that all stations are to be compliant by 2015?

Mr Armitt: I am saying it is our policy objective. The other point I made was that £370 million will not do it. The next periodic review, which the Rail Regulator will carry out in 2009–14, will presumably take into account the obligations that we have to improve DDA facilities. We will allocate some funding for that because at the moment we do not have funding specifically for that. The £370 million is the first time that specific funds have been made available.

Q113 Greg Clark: The £370 million is the amount of money which is being earmarked which falls way short—by your own admission—of what is needed to make it fully DDA compliant. Dr Mitchell, where is this extra money coming from? Mr Armitt has referred to that as an objective, and I assume an objective has within it an objective to deliver it.

Dr Mitchell: Yes. The objective is to take all these little steps to complete the compliance by 2015; that is our target. The £370 million is a first contribution to that, and as I said in earlier answers, the £370 million is currently being prioritised to make sure that we serve the maximum number of people and also take into account the priorities of disabled groups.

Q114 Greg Clark: We know that is nowhere near enough. Is it your assessment that you are likely to meet the objective by 2015?

Dr Mitchell: We have an objective to take all these little steps to meet the objective by 2015, and as Mr Armitt said, the next period will be between 2009–14 and we will have to address that issue.

Q115 Greg Clark: Sitting as we do, in 2005, Dr Mitchell, do you expect to meet that objective by 2015? What is your expectation?

Dr Mitchell: That is our objective.

Q116 Greg Clark: Do you expect to meet the objective?

Dr Mitchell: I expect to meet the objective.

Q117 Greg Clark: Thank you very much. Dr Mitchell, you said in an earlier answer that the £370 million is from the Government.

Dr Mitchell: Correct.

Q118 Greg Clark: I understand that 80% of that is from Network Rail. Is there no difference between Government spending and Network Rail, in your view?

Dr Mitchell: The £370 million is a Government figure.

DfT, ATOC, Network Rail, ORR and SRA

Mr Armitt: If I can offer an answer to that. I think what is expected is that Network Rail will spend 80% of the £370 million because we are essentially the delivery vehicle for the improvements.

Q119 Greg Clark: Mr Newton, according to your publication, *Making Stations Accessible to the Public, Railways For All*, you say that 80% of it is funded from Network Rail and 20% from the Department for Transport. Is that correct?

Mr Newton: I would have to agree with Mr Armitt. I think the 80% will be spent by Network Rail but funded by the Department, as I say, because Network Rail is in the best position to spend the money and manage the efficient expenditure of that money.

Q120 Greg Clark: In other words, that is new money being deployed by the Department for Transport through Network Rail, it is not through additional charges to TOCs. That is useful clarification. Given that the £370 million comes from Government and is going to be spent on improvements, the Government is going to benefit from that financially, is it not? The VAT is chargeable on disability upgrades, so of that £370 million, £65 million is going back to the Treasury. Is that correct?

Dr Mitchell: I had not considered that, but I will take your word for it.

Q121 Greg Clark: That would be a reasonable assumption, that 17.5% of expenditure on upgrades is chargeable in VAT and comes back to the Treasury?

Dr Mitchell: I have not considered that.

Q122 Greg Clark: Would it be reasonable, if the Government's team are spending £370 million on DDA improvements, that the whole of that is available for improvements and that £65 million might be added back so that the whole of it can be invested in making life easier for our disabled customers?

Dr Mitchell: That would be nice if that could be done, but the decision on how much is available is a matter for ministers.

Q123 Greg Clark: Dr Mitchell, would you encourage your ministers to write to the Treasury to ask whether that might be possible?

Dr Mitchell: Now that you have mentioned it, yes.⁸

Q124 Sarah McCarthy-Fry: I would like to start off with paragraphs 2.16 to 2.20. I would like to ask Mr Newton, given that there was some failure by the train operating companies to meet the requirements of keeping stations up to date, evidenced by passengers' dissatisfaction, in retrospect, do you think your inspection regime was robust enough?

Mr Newton: Yes. I think the key principle to bear in mind is we do not micro-manage these franchises. I think the Report very accurately describes how the early franchises, of which there are still many, made an assumption that there would be commercial incentives all over the network for operators to keep stations maintained, keep them clean and indeed invest in them. The reality—as I think Mr Muir described in the context of Connex—was somewhat different, but that does not alter the franchise agreement. I think with the latest franchise agreement—if I can say this correctly—particularly the “one for one”, there are key performances indicated in there and there are much clearer expectations of what is expected. In an ideal world we would have liked to have gone back to the 1995 franchises and rewritten them in that respect.

Q125 Sarah McCarthy-Fry: Did you not think that you had the responsibility to monitor how the franchises should be operated and followed up?

Mr Newton: There is a difference between monitoring and knowing what the deficiencies are and having a contractual ability to do anything about it; I think that is the difference.

Q126 Sarah McCarthy-Fry: I am going right back. The fact that you did not know, there was no opportunity for you to do anything about it anyway. In retrospect, do you think you had the responsibility to find out?

Mr Newton: Yes, we did have monitoring arrangements in place.

Q127 Sarah McCarthy-Fry: In the ones that failed, why did you require remedial action rather than using the passenger dividend ability and power which you had?

Mr Newton: Remedial action might include passenger dividend, in actual fact. There is a judgement to make about the contractual materiality of the transgression. Quite often the important thing to focus on is the deficiencies remedied. I think if you develop a general approach which says every time there is a transgression there is a financial penalty at some point to the operator, then very soon those risks start to manifest themselves in the bids and it starts to increase the cost of the network. It is a contractual management judgement, I accept, but it really is about if you are not keeping your powder dry and demanding a dividend, it might be called a more significant transgression.

Q128 Sarah McCarthy-Fry: You do not think it would focus the mind of the train operating company if you made an example of one or two to start with so the others knew that it was not just going to be, “Oh, well, we can leave it as it is and providing no one finds out about it nothing is done, but if we are expecting a general inspection, then we will make it right”.

Mr Newton: Earlier in my career I chaired the enforcement committee and part of the remedy we had was to publish a notice if there was a breach. We

⁸ *Note by witness:* I have spoken to the Treasury who confirm that the effect of VAT is taken into account when the Government makes its decisions as to the appropriate level of resource to be awarded a programme.

DfT, ATOC, Network Rail, ORR and SRA

published a notice in the form of posters on stations. Certainly my experience was that operators were not very keen to have notices put on their stations which told their customers that they had failed. There is always a question of balance, but my own experience was that balance was reasonably successful.

Q129 Sarah McCarthy-Fry: When you requested the remedial action, was it carried out to your satisfaction?

Mr Newton: There was any number of them, but generally, yes. If it was not, then clearly the ante was upped and we were moving towards, it is a ratchet process and eventually there certainly was a demand for dividend and that sort of action.

Q130 Sarah McCarthy-Fry: Did you take any passenger dividends?

Mr Newton: It is difficult to recall, but certainly, yes, there was any number of passenger dividends taken.

Q131 Sarah McCarthy-Fry: Before, you said it would not be value for money to set higher standards of franchises, you are now saying with new franchises which are being let, we are going to set more robust standards. In your view is value for money static or is it a moveable feast? I take the view that value for money is efficiency, economy, effectiveness. In your view is that balance equal between the three if the effectiveness is achieving objectives and one of the objectives is passenger satisfaction, if passengers kick up enough fuss, does that mean then value for money veers towards achieving passenger satisfaction?

Mr Newton: Certainly, I accept it is not fixed because there is an issue about the passenger expectations rising. To some extent that ought not to drive, through a public sector experience and point of view, a natural increase in expenditure, but in general terms, it will identify an appetite for higher standards which I think we all subscribe to. If you look at some of the standards across the piece in the public sector, they are much higher now and they are accepted as legitimate. I think they are a moveable feast in that sense. I did not say that value for money did not justify high standards, what I said was in a situation where you have got finite funding, you need to prioritise your expenditures, so your pass-mark for value for money will float up and down to some extent dependent upon the available funding. As I said, there is also prioritisation, and given where we were in 2001, there was a very clear priority to address the fundamental service performance issues which the industry was facing before we moved on to what were always recognised as other passenger priorities, but lower than punctuality and reliability.

Q132 Sarah McCarthy-Fry: Can I move on to Mr Muir. Do you think that voluntary rather than mandatory commitments in your passenger charters are effective?

Mr Muir: Yes. An example of such a voluntary commitment would be queuing times at booking offices, which clearly is a sensitive thing. I think in the case of voluntary and mandatory, what you are

trying to do with train operators is harness the ingenuity and management drive of people with a local interest to get the best value for money for the Government and do good for passengers. I think you do that best by a range of things. At one end, you have hard wired obligations, they are in your franchise agreement, for example you have to spend £10 million on upgrading eight stations in a particular way. As it is in the franchise agreement it has got to be done. You have things in the middle which are voluntary obligations, where the train operator says, "I think I can promise some more and I will put them in my passenger charter". At the left-hand end, there are things which do not become obligatory, simply things the train operator has done because he thinks it is a good idea. On the way here I was speaking to Southwest Trains and they have a franchise obligation to have 36 travel safe officers. They are staff who are trying to keep passengers safe. They have now got 56, which is 20 more, and that is because the management of Southwest Trains of their own views think, "I want to make life safer and better for our passengers and I will spend more money". To harness the drive of train operators you want the range, some hard wired, some in the middle and some "let them make management decisions".

Q133 Sarah McCarthy-Fry: I will move on to Dr Mitchell, if I may. This particular issue concerns my constituency; moving forward and how we are going to move forward. In my constituency we are very anxious to have an additional station to help us with our particular difficulty, Portsmouth is an island and it is difficult to get in. Have you done any work on looking at the balance between what customers want? Do they want an additional station with fewer facilities or do they want the same number of stations and have better facilities? Would you be interested in doing that sort of analysis?

Dr Mitchell: No, that sort of analysis has not been specifically done. The kind of work, for example, that RPC has just completed is very much focused on existing users of existing stations and what are the hierarchical needs. Perhaps it not surprising that many of the conclusions are very similar to the NAO Report. What we have not done a comparison of is would people prefer a new station or perhaps a station half a mile down the line rather than the one they have got.

Q134 Sarah McCarthy-Fry: Obviously there is an issue with timetabling for additional stations like that, but do you think it would help towards increasing passengers if that sort of thing was taken into account? We are talking about the issues which passengers want at the stations but, as I say, in my constituency I am not sure they would bother whether it was a Marble Hall, but they would like a train to stop near them so they are not having to be reliant on their car.

Dr Mitchell: Inevitably I think there has got to be a trade off between the number of stops on a line and the overall service provided. Clearly, if there is a station every couple of miles, then potentially the service would be very, very slow, and I think the

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overall satisfaction of passengers on that line might be affected. That is not to say that there is no place for new stations, but I think we have to take account of that trade off.

Q135 Mr Khan: Dr Mitchell, having read the Report from the NAO and having heard the answers given by your colleagues and indeed your answers, would you say the quality of service received by passengers who use your stations, our constituents, is excellent, satisfactory or unsatisfactory?

Dr Mitchell: I think we would have to be guided by the responses from the public, both in the NAO Report, which we accept, and in the reports produced by the RPC. I think it is fairly clear that passenger satisfaction has been slowly improving, but I do not think any of us can be satisfied that is a position we want to remain in.

Q136 Mr Khan: How does your answer dictate the urgency or otherwise of your response to concerns raised by colleagues and by the NAO?

Dr Mitchell: I think Mr Newton has to some extent covered this. In the early years of the 21st Century the priorities had to be addressing the state of the network in total, the safety of the network and the backlog of engineering work which had to be done and which Network Rail, I think, have addressed very effectively. Now we have dealt with that to an extent—and I am not being complacent, I do not feel that 85% is where we need to be, we need to move far and further than that—I think now we can start addressing some of these things.

Q137 Mr Khan: Talking about moving on. Can I ask Mr Muir, Southwest Trains are in charge of Earlsfield station which is in my constituency of Tooting. The sort of problems experienced by the 11,000-odd pensioners, the 11,000-odd residents with long-term illnesses and parents with pushchairs, difficulties with access to the station, there are no disability facilities, no lifts or escalators, other problems include no security, wooden staircases and very steep staircases and problems with ticketing facilities, so people are queuing outside on a Monday morning. Are you satisfied with the answer just given, “we have other priorities and now we will come on to these priorities”?

Mr Muir: I would certainly like to see better facilities at your stations. Indeed, I noticed the stations in your area, many of them are not accessible and do not have wheelchair access and indeed some of them do have problems with graffiti and vandalism. All I can do is assure you that train operators are putting resources into it. Whether there is money to make these wheelchair accessible? The ideal would be to make it wheelchair accessible, but this is enormously expensive and it is a priority for Government to decide as to whether they have the money to make them wheelchair accessible. In the meantime, what we are trying to do is do all the things we can do to make it easier for people with disabilities to travel on the railway, that is by improving information and improving the training of staff. Last week ATOC approved an investment of £600,000 to improve the

computer system which enables disabled passengers to book assistance in advance. We have such a system and it works very well now.

Q138 Mr Khan: In light of that, how do you explain when a disabled person without a computer goes to Earlsfield station in the evening, there is no staff there, nobody can direct them to where they can go, there is no sign up saying, “If you cannot get to the platform you can ring this number and a cab will come around”, so the station is accessible. How are we helping them?

Mr Muir: The arrangement we have got to address this issue is the best that we can do and we will try and improve it—is that if people call train operators 24 hours before and make a booking, we will endeavour to make arrangements for them to complete their journey. I cannot promise that it happens in all cases because it is a complicated world but, for example, depending on where it is, we might send taxis or make other arrangements for people to use the railway.⁹

Q139 Mr Khan: I could put out a press release to go in the *Wandsworth Borough News*, the local *Guardian* in Tooting, saying, “Any disabled person who wishes to travel and have the same rights that I have on public transport in British Rail, in the stations locally of Earlsfield and Wandsworth Common, can ring up this number and they will get the same level of service that the rest of us receive”?

Mr Muir: What I would rather do, if I may, is after this hearing write to you and confirm what we do in individual circumstances.¹⁰

Q140 Mr Khan: You raise a good point in answering the previous question. Southwest Trains, in fact, want a holistic approach to Earlsfield station, which leads me on to Mr Armitt. There is a half a hectare site available for sale owned by Network Rail adjoining Earlsfield station. One would have thought—especially reading your “hot off the press” press release, talking about joined-up work in private finance partnership—that when you sell this piece of land, you would want to make sure that the planning gain is used to improve the quality of services at Earlsfield station, but also for a development which benefits local residents in the sort of way that the German stations usually benefit German residents. I have been told that the company selling the property on your behalf want the highest bid available and approaches made by local developers to try a holistic approach, in partnership with Southwest Trains, has been discharged and they have been told that frankly we want the highest bid because we want to cut and run and use the money for proceeds elsewhere which could be stations in constituencies around this table, which is all wonderful for them, but I want an improved station in Earlsfield. What do you say to that?

⁹ Ev 24

¹⁰ Ev 24–25

DfT, ATOC, Network Rail, ORR and SRA

Mr Armitt: I am surprised. Anyway, whatever the local developer may wish to do, of course, he is going to have to get planning consent for it and it would be absolutely normal and to be expected in a situation like this, that he will not get permission to do things without taking account of some of the benefits which the station requires because the local authorities will use all the powers they have to make sure the development does take account of this issue.

Q141 Mr Khan: The site is owned by Network Rail. You are going to sell it to the highest bidder, who I am sure will put up luxury flats, that is what everyone does, to make huge profits, and that site is now lost. Southwest Trains are desperate to get hold of that site and work in partnership with you, but you want the highest price.

Mr Armitt: I do not know the details of this particular bid, but normally we would be looking for a balanced bid which we will get. We want both. We will want the very best bid that we can get and we will want to make the best improvements we can to the station.

Q142 Mr Khan: In that case, will you agree to delay the closing date for bids, which is 21 October, for you to investigate whether or not Network Rail is acting in the best interest of local residents in Tooting and Earlsfield by going for the highest bid possible?

Mr Armitt: If the closing date is 21 October, we will have a very long way to run if the bids can come in on 21 October and then in appraising the bids we can see what opportunities can be delivered through those bids to benefit the station.

Q143 Mr Khan: Sorry to press you, but somebody who once had a holistic approach has been discouraged from putting that bid in but has been asked to put in a bid which could compete with those who are putting in bids for, for example, luxury flats.

Mr Armitt: I am quite happy to receive bids on both cases and then judge on the value for money at the end of the day which is the best. It could be that the very best bid will give me a lot more money than the balanced bid, in which case it might be better to take that extra money and then spend it as Network Rail on stations elsewhere.

Q144 Mr Khan: Excellent. You are going to reinvest the money for the better of Earlsfield and Tooting residents, is that what you are saying?

Mr Armitt: No, I am saying that we would take the money and spend it. As always, we have to prioritise our spending and there could be other stations, it might even be the next station down the line, where it would be more sensible to spend the money than at Earlsfield. I cannot make a judgement or a commitment on Earlsfield sitting here.¹¹

Q145 Mr Khan: You are willing to look into this and get back to me.

Mr Armitt: I will.

Q146 Mr Khan: I have got one other final question to ask and it is probably for Dr Mitchell. I see that rail passengers have increased by 22% since 1997, obviously from the fantastic vibrant economy since then. Someone also mentioned the fact that each year, year-on-year the increase in passenger growth is about 5%-8%. In light of that, is it in your interest to have more for the benefit of passengers? Why should you care and do you care about having better facilities for your passengers when you have full capacity and they will use your trains anyway because they have no alternative?

Dr Mitchell: I believe the railways in the UK are becoming quite a success story. We are growing in passenger numbers every year. We are growing faster than any other European railway, but we have got a lot to do. We have got a lot to do with punctuality; 85% is not enough, we need to do better than that. We need to do more on stations—and this is part of the rationale of the Leipzig statement—we need to look hard at how we deal with capacity. That is the biggest problem we have and will have over the next few years that all of that has to be taken into account. I am certainly not in favour of a situation as you described.

Q147 Mr Khan: In the Report it was reported most frequently about small low level problems, that great perception of users at stations which is low level stuff. What sort of approach are you taking to low level type things which really would improve the quality of life of users at the stations? You talked about graffiti, and there is violence at my station, lifts are another thing as well.

Dr Mitchell: I think there are some things which can be done following some of the successful things in the UK, but also environmental factors, you can remove some of the hiding places for people: parks, bushes, small buildings on platforms and things like that. You can improve lighting, you can improve signage and you can install close-circuit television and that kind of thing. I totally agree that the perception of safety is extremely important to people, almost more important than the actual risks which exist. Some of these things do not cost a lot of money. There is a £50 million a year pot available for Network Rail to spend on minor enhancements which could include things like that.

Q148 Kitty Ussher: I would like to start by thanking the NAO for quite a useful Report and the team who have obviously put a large amount of effort into this. I think it is a Report the public will be extremely interested in, not least because this is an issue which members of the public are rightly very concerned about. Often it is quite difficult to find out where they need to go to make improvements. I think the fact that we have a large number of organisations in front of us today, basically between them answering the same questions, rather proves that point. We now have a spotlight shining on this, so hopefully we can make some progress. Chairman, I hope you will forgive me if I too am rather parochial in my

¹¹ Note by witness: We are still finalising the initial list of stations to receive investment so it is not possible to give an answer in to relation to Earlsfield at this moment.

questions in that I want to take an example from my constituency, pretty much because it is the situation I know best. I think it rather illustrates the point. I am going to start with Dr Mitchell, if I may, in asking this question. If I could describe the situation: I represent Burnley in Lancashire, which is a town in a valley and has one main train line running through it, which is the Trans-Pennine route. It crosses the Pennines running to York, Leeds, Burnley Lancashire Road station through to Blackburn and on to Preston and Blackpool. I believe—correct me if I am wrong—the franchise has recently changed and it is now Northern Trains. I think it was called Trans-Pennine as well as being geographically the Trans-Pennine route. It is the only way to commute to a major city: Leeds, Preston or York, since although Manchester is nearby there is no direct train to there. It has no train indicator, therefore you have no idea when the train is coming. There are no waiting rooms at all, so it gets rather cosy under one very small shelter when it is raining, of course it never rains in Burnley, but there are many times when that rule is broken and it does get rather tight. There are no staff there whatsoever. I once saw a five year old child who seemed to have no parent anywhere, obviously he was wandering around the town, playing on the train line, with no staff there at all and it meant that one of the few members of the public who happened to be there had to get him off the train line, and I do not think that is acceptable. There is no ticket machine, no way of picking up tickets, no office whatsoever, which means it is quite difficult sometimes to take advantage of pre-payments for tickets on the major routes if you are not confident that they will be sent to you in time, no toilets and rubbish strewn everywhere. However, it does have a ramp, so it does have some facilities. My question—and I think it is from the public point of view—is given the evidence we have received from this Report, where do we start in addressing these problems? In particular, at what point do we come up against an effective value for money question given that effectively it is a monopoly route? There is no other way to get to Leeds, so the passenger numbers, I guess, would not vary hugely, although there is clearly a very large demand for improvements.

Dr Mitchell: As I said to the previous Member, we have a lot to do. We have a limited amount of money available. The Government is spending £87 million per year on railways. Clearly it has to be prioritised. As several of us have said, in the early years of the century we had to give priority to safety and other things. I do not think anyone would disagree that was the right thing to do. Now we have got to the point where we have the benefit of this Report and we have the benefit of the RPC report and we are working now on a strategy for all stations, as I outlined before. I think we can start addressing some of these issues. Clearly, I could not defend the kind of things which you have outlined, no one would. No one would want to be in that position. It is a question of how do we prioritise, how do we make sure that the right value for money is achieved and then move forward.¹²

Q149 Kitty Ussher: Can I probe you a little bit more on value for money. What calculation do you do at that point when you are trying to work out value for money?

Dr Mitchell: It is very similar to the answer Mr Newton gave. Effectively, the value for money calculations which the Department for Transport do are pretty much the same as the ones which the Strategic Rail Authority did when it had responsibility for this. What we are basically looking for is the best return in terms of what we would get back from the money spent because we have limited resources, and I am afraid we have to prioritise.

Q150 Kitty Ussher: The best return in what sense, passenger numbers?

Dr Mitchell: It has to be turned into a financial return, but we can turn most of the outputs that we are looking for back into a financial number, so that we can then see how we rank one thing against another. It has to be done that way because that is the lowest common denominator between schemes, if you like.

Q151 Kitty Ussher: When you have a situation—I am sure my constituency is not the only one—where in a more remote community there is no other way to travel from A to B, how would you start to assess a financial return of raising the standard of the station?

Dr Mitchell: The sort of things that would be taken into account are obviously the costs of what is proposed; secondly, the number of people that could benefit from it and the other benefits which we might gain from that are, for example, an increased number of passengers, attracting new investment—which I am sure Mr Armitt would look at—and these kind of issues.

Q152 Kitty Ussher: Just to push you further on value for money, do you think it is possible that calculation might come out as such that you would do the investment even if the passenger numbers do not increase as a result? Could you look purely at the number of existing passengers or would you have to demonstrate that the number of passengers would actually increase?

Dr Mitchell: It is possible.

Q153 Kitty Ussher: Chairman, if I may use the remaining time to draw attention particularly to paragraph 2.9. Mr Muir, you said you required Network Rail to provide more information about how it spends the money from the train operating companies which you represent. What type of information do you require?

Mr Muir: We would like a better understanding of the disposition of the rental money which we pay. We know that some of that rental money is allocated towards remunerating their asset base in stations, which is about £2 billion. Also, some of our rental money is intended to be spent on stations. I know that they spend substantially the right amount of money, but whether it is exactly the same, I do not know. Train operators would like to know more

¹² Ev 25–26

DfT, ATOC, Network Rail, ORR and SRA

about the overall distribution of their money. I would say that since this Report was written, and since the interviews and work which went into this, I think relations between train operators and Network Rail have got a lot better. It is a developing relationship and our experience on the ground now—which is confirmed by speaking to train operators before coming here—is of an increasing level of comfort and confidence that Network Rail understands our issues and we understand Network Rail's issues. Nonetheless, some more transparency would be useful.

Q154 Kitty Ussher: Perhaps we could take this opportunity to provide it. Would Mr Armitt care to respond to that? Are you now able to provide that information?

Mr Armitt: I am not entirely sure what information they would like. Our business plan, which is published every year, sets out our spending plans route by route and to a degree does specify which stations we are going to be spending money on, particularly in terms of improving stations in the next five years. We do provide information as to where we expect to spend money. Train operators are obviously very well aware of what we are spending on their particular stations because they usually work with us in organising the expenditure and they can see how much is being spent on their particular part of the network.

Q155 Kitty Ussher: Mr Muir, are you now satisfied?

Mr Muir: We have more to talk about. I want to emphasise that relations and working together is a lot better than it was a year ago, and I am confident that we will work this thing out between us.

Q156 Kitty Ussher: Mr Bolt, perhaps you can turn to paragraph 2.11 in the Report. There seems to have been some problem with clarifying who is responsible for station repairs and maintenance. Is this something you now feel has been sorted out and why was there a difficulty in the first place?

Mr Bolt: I think the issue is not so much being clear as to who is responsible for what but having a more rational allocation, so that Network Rail is responsible for the whole of the maintenance and renewal of particular assets and train operators are responsible for the customer facing assets. The Stations Code, which we are hoping will be in place next April, is designed to get that clearer, more rational, division of responsibilities.

Kitty Ussher: I am sure that will help us all.

Q157 Stephen Williams: I think this question is probably best directed initially to Mr Muir, but maybe another witness might think differently. First of all, on passenger safety paragraph 3.16 suggests that if passengers were more confident that there were safety improvements being put in place, it could lead to a 15% uplift in people travelling by either train or on the Underground. Elsewhere in this Report it is not clear how many small stations, in particular where you are most likely to feel vulnerable, have CCTV or a panic button or a help

point in place. Given that there is a target in paragraph 3.17 of reducing crime against passengers by 7.5%—which is due to be met in two months' time and it will be interesting to see whether that has been met—do you also have a target for having CCTV help points and panic buttons in all small stations?

Mr Muir: We do not have targets for CCTV at all stations, but what train operators do have, and have quite extensively, is target date measures which are appropriate to improve associate stations. They have been focusing CCTV, for example, at the stations which need it. Some stations will have an extraordinary number, between 20 and 50 CCTV cameras in some stations, so it is being very targeted by the train operators.

Q158 Stephen Williams: That large number of cameras is presumably at large stations rather than small stations?

Mr Muir: At some quite small stations I discovered they had 30 CCTV cameras and it stunned me when I saw it.

Q159 Stephen Williams: Do you have any idea how many small stations would have no personal safety enhancements at all?

Mr Muir: Of the 2,500 I expect a very large percentage will not have CCTV cameras. Indeed, I would be surprised if more than a quarter had them because train operators are focusing on where it is needed.

Q160 Stephen Williams: Turning now to sustainability and encouraging cyclists to use the train, on page 33, paragraph 3.22, it refers to a survey by the Cyclists Touring Club which suggests that if you go to a large station you are likely to have somewhere safe to park your bike but if you go to a small station, it implies here, only a quarter have cycle rack facilities. I accept that there are difficulties in linking up with other forms of public transport like buses and so on but it really ought to be easy at every station to have basic cycle rack facilities. It could be as little as three bicycle racks present at each station. Again, is there a target to have cycle safety facilities at every station?

Mr Muir: No. I think the concept of having defined things which are required at every station, if I can generalise, was what underlay a previous project, which was modern facilities at stations, and it turned out to be exceptionally expensive. The view of everybody, having looked at the very high bill, which at one point was £500 million, £600 million, £700 million (and that was only doing 600 stations), was that it simply became irrational. The concept that we are going to have X, Y and Z at every station turns out to be exceptionally expensive. If I can turn back to cycling, what the train operators are doing is targeting cycling where it is needed and where they have got space. Quite a lot of progress has been made. York station, for example, I think has room

DfT, ATOC, Network Rail, ORR and SRA

for 2,000 bicycles. If you give me a second I will check the figure but it is a very large number of bicycles.¹³

Q161 Stephen Williams: That is accepted. It says here that 85% of the larger stations have cycle facilities. It was the smaller stations I was drawing the contrast between, that only a quarter have any cycling facilities at all, which was what I was asking you to comment on: could you not provide basic facilities at every smaller station, which actually would be very cheap? Cycle racks do not cost a great deal of money.

Mr Muir: I cannot commit that we will do that. I do know that train operators are progressively, across their stations, encouraging cycling among many other things.

Dr Mitchell: Maybe I can add to that answer. First Great Eastern carried out a programme of cycle parking installation in the latter part of their franchise and by doing that they doubled the number of passengers arriving by bicycle from 1.5% to 3%, so in suitable areas it can be very effective.

Q162 Stephen Williams: It has, for the very low cost of providing cycle racks, presumably a huge spin-off in terms of extra passenger revenue, so it has a good payback. On that point of the payback for investments, on page 32, paragraph 3.19, although this is only a sample of medium and small stations, it does say at the end of that paragraph that few had self-service ticket machines. It is obviously very unhelpful in this context but it does imply that hardly any of the sample that were visited by the NAO had self-service ticket machines. I am only familiar with two branch lines. One is Valley Lines in South Wales where I grew up, which I still use quite often, and the Severn Beech line which goes through my constituency in Bristol. Quite often you get a free journey, particularly at busy times, because the conductor on that train has no time to collect the fare, whereas if at each unstaffed station there was a self-service ticket machine you could get your ticket before you got on the train and then the conductor on the train would simply check that people had a ticket rather than spend increasing long periods of time with the more and more cumbersome machinery they have these days issuing tickets and looking for change. Do you not think there would be a big payback by having more self-service ticket machines at smaller stations?

Mr Muir: Yes, there would. There are some stations where you cannot have them because they get vandalised but on the whole that is not a general answer. It is part of the progressive improvement of the railway and progressively in the past years and in the future we have installed and will continue to install more ticket machines. The current replacement order for ticket machines which is now going through includes 4,000 machines. 4,000 machines have been and are being swapped out in the last 12 months and in the next 12 months.

Q163 Stephen Williams: Are being swapped out? You are only replacing them where there already are some?

Mr Muir: The old electrical ones are being swapped out with newer ones. There is a massive investment programme going on at the moment in ticket machines. We have seen it a lot of use of new ticket on departure machines which are generally at the large stations and as the years go by, and hopefully as the money is available, there is a progressive programme of improving the stations and we will deliver these machines to the stations you are talking about.

Q164 Stephen Williams: Are you implying that this is again at large stations, if you are replacing what is already there rather than, as the Report suggests here, at the smaller stations where there is not a quantified number? It implies that there are hardly any.

Mr Muir: I think the replacement is happening where there are the old machines. They are all being switched over.

Q165 Stephen Williams: But are there new ones?

Mr Muir: They will switch to new ones.

Q166 Stephen Williams: Extra ones?

Mr Muir: Having done that, the train operator will then be looking at other stations which can justify a ticket issuing machine.

Q167 Stephen Williams: In the time available I will just make one last point that several other colleagues have made about complying with the Disability and Discrimination Act. I travel back to Bristol Temple Meads quite frequently and I have often overheard passengers who are due to get off at Bath complaining that there are not facilities there for disabled passengers because it is a listed building. Is that a common problem, that we are not complying with the DDA because of the difficulties of adapting a listed building?

Mr Armitt: Adapting listed buildings can be difficult. We have even had an argument with the heritage authorities with regard to the positioning of a CCTV camera because they do not like where it is going, so a lift, which has a significant impact on the structure, can be a constraint but at the end of the day it should not prevent it altogether. It just means that it is going to be a longer than two-year process to achieve it.

Q168 Stephen Williams: I am in danger of treading on a colleague's territory here but Bath obviously is a station that has visitors from all over the world and it would be terrible if it were not complying with the DDA.

Mr Muir: Is it wheelchair access that it does not have?

Stephen Williams: I think so, yes. I helped someone off the train once because there were no staff available on the train to help the person off.

¹³ Note by witness: It is 395 bicycles.

DfT, ATOC, Network Rail, ORR and SRA

Q169 Mr Davidson: I wonder if I can ask Mr Newton, arising from paragraph 2.17, about the question of taking remedial action. In the entire year, as far as I can see, you only issued 18 station-related breach notices. Do I take it that all the rest of the stations were fine?

Mr Newton: No. What that means is that the transgression was considered sufficiently serious that we should issue a breach notice.

Q170 Mr Davidson: Can you give us a list of the 18 and can you tell us which company was the worst offender?

Mr Newton: I would need to give you a note on that.¹⁴

Q171 Mr Davidson: You do not know?

Mr Newton: No.

Q172 Mr Davidson: You would not like to give us a clue, would you?

Mr Newton: No.

Q173 Mr Davidson: Okay. You prefer to do breach notices rather than have the passenger dividends but in response to a question from Mrs McCarthy-Fry you said that any number of those were taken. Can you just clarify for me the balance between these passenger dividends and breach notices? How many were there?

Mr Newton: I do not have those numbers to hand.

Q174 Mr Davidson: Can you give me an idea then?

Mr Newton: As I say, I could not. It would be a wild guess.

Q175 Mr Davidson: How in that case can you say to Mrs McCarthy-Fry that any number were taken if you do not know what the number was?

Mr Newton: I recall the frequency but not the quantity.

Q176 Mr Davidson: Sorry—the frequency but not the quantity?

Mr Newton: Yes.

Q177 Mr Davidson: Can you use those figures to give me a stab at it then?

Mr Newton: No. As I say, I am quite happy to write to you.

Q178 Mr Davidson: Okay. In terms of the situations where you have had cause for concern you had 18 remedial actions and a number unspecified of passenger dividends. What was your methodology for getting a resolution of other situations that caused you concern or were there no other situations that caused you concern?

Mr Newton: The focus initially was on remedying the transgression, depending on the seriousness and whether it had a material adverse effect on passengers.

Q179 Mr Davidson: So there were three categories, were there? There was a breach notice, a passenger dividend or something else? In every case something got resolved, did it?

Mr Newton: Yes. There was either a breach notice or some enforcement action.

Q180 Mr Davidson: So during that period every situation where you identified inefficiency in a station it got resolved, did it?

Mr Newton: It got addressed in some way or another.

Q181 Mr Davidson: So there should be no station during that period where there was any cause for concern because you had the methodology to get it resolved?

Mr Newton: No. It was those transgressions that were identified by monitoring.

Q182 Mr Davidson: So only if you noticed it? On any occasion when you noticed anything wrong it was always resolved?

Mr Newton: In some form or another, yes.

Q183 Mr Davidson: What does “in some form or another” mean? It either means yes or no.

Mr Newton: It might be a phone call to the operator and they can put it right. It might be an inaccurate notice displayed, any number of things.

Q184 Mr Davidson: But it got sorted out?

Mr Newton: Yes.

Q185 Mr Davidson: Let us be clear then. During this period 2004–05, if there was any situation where there was an inadequacy in station provision, that was only because you had not spotted it because any time you did spot it it was resolved? Is that correct?

Mr Newton: Action was taken, yes. Whether it was resolved immediately is another matter.

Q186 Mr Davidson: That is interesting. Can I go to paragraph 2.19 though where it says that the SRA reviewed this franchising policy in 2002 and concluded—and there are a couple of other clauses—that overall it had not delivered the outcomes envisaged, which I take it means it did not work. Why do you think it did not work? Why do you think it was a failure?

Mr Newton: It did not work, as I referred to earlier, because the early franchise agreements were predicated on a number of assumptions which did not materialise. The key one was that the operators would have commercial incentives to address all the quality and investment issues needed at stations.

Q187 Mr Davidson: So if they were not getting funded for it they were not doing it? There was no sense of responsibility on their part that they ought to upgrade stations or maintain them adequately?

Mr Newton: No. As I say, the assumption was that there would be a commercial incentive for the operator to address all the quality requirements at stations.

¹⁴ Ev 27

DfT, ATOC, Network Rail, ORR and SRA

Q188 Mr Davidson: I do not quite understand that point but presumably that means that if the operator did not upgrade the station they got the passengers anyway and therefore there was no incentive for them to maintain the station adequately. Is that a fair way of putting it?

Mr Newton: No. The presumption was that they would generate revenue from doing all the things that were required at stations so that would be a justifiable expenditure by them and they would therefore undertake the expenditure. That was a flawed assumption.

Q189 Mr Davidson: Indeed it was. You then had to move to a situation with the new franchise agreements where it was much more specific, was it not, which is an indication really that under the previous arrangement the train operating companies were not doing what you thought they ought to?

Mr Newton: That presumption did not materialise, yes.

Q190 Mr Davidson: So that is a yes then, is it?

Mr Newton: The franchise policy change in 2002 addressed that deficiency.

Q191 Mr Davidson: That is a yes then. Am I right in finding it quite astonishing that in dealing with train operating companies, all of whom apparently apart from one were making substantial sums of money, you had to specify that where they had toilets, for example, they had to be open because under the new franchise agreement it is specified that the toilets have to be open, so presumably under the previous arrangements they could have toilets but they did not actually need to be open? Also, the toilets have to be clean, which presumably was not the case before, and at least 50% of cubicles or urinals have to be available when the station is manned. It really does not say very much for the train operating companies before that they were not prepared to do that and you had to specify that. Is that fair?

Mr Newton: Yes. I am saying that it identifies the fact that the early franchising policy was flawed in assuming that would happen.

Q192 Mr Davidson: They did not do it; that is right. Coming back to the original franchise agreements for adequate lighting, you had to specify that lights should not be flickering; they should meet the required lux level. That is a pretty damning indictment of the train operating companies again, is it not?

Mr Newton: It is an indictment of the inadequacy of the early franchise agreements.

Q193 Mr Davidson: That is right. Who drew up the early franchises?

Mr Newton: The Office of Passenger Rail Franchising, driven by the key criterion, which was that the lowest bid won. That was the selection criterion.

Q194 Mr Davidson: I think it is fair, Chairman, to mention my own particular favourite, which was that in the original franchise agreement it said that the environment had to be kept reasonably clean but the new specification was that the person employed to pick up litter on the platforms must be instructed not to sweep the litter onto the track bed, which presumably was what the train operating companies were doing before because there was no commercial incentive there for them not to sweep the litter off the platform onto the track bed. Does that sound to you like the action of responsible people?

Mr Newton: No, but it is one of the reasons that justified the franchise policy review which was published in 2002.

Q195 Mr Davidson: Mr Muir, the train operating companies, it would appear, could not be trusted further than you could throw them to behave responsibly. Is that reasonable?

Mr Muir: No.

Q196 Mr Davidson: Why did you have to be specifically instructed not to sweep the litter onto the track beds?

Mr Muir: It would indeed be irresponsible, whether instructed or not, for station staff to sweep litter onto the track bed. If they do it it does not, as it happens, help the financial position of the train operator because if we have to clear litter off the track in a station the train operator has to contribute to the cost of doing it. It is mere stupidity by the staff.

Q197 Mr Davidson: Why do you think you had to have it specified to you that it had to be done? Presumably there would be a saving because the wind would remove much of the litter onto neighbouring properties over a period, as anyone in the area round about stations will have seen.

Mr Muir: It was specified. Lots of things get specified. It did happen but it should not have happened and it should not have happened anyway.

Q198 Mr Davidson: I wonder if I could come to another section, 3.15, where there has been a noticeable increase in the figures, and that is relating to crime. From 2001 to 2002 and 2003 to 2004 there was a 17% increase in crime on the railways. To what extent do you think that is accounted for by cost cutting by the train operating companies?

Mr Muir: Can I just please address that paragraph? As you say, it is paragraph 3.15. It is comparing a change between the years 2000–01 and 2003–04. During that period there was a change of method of recording and in April 2002, halfway through the period, the National Crime Recording Standard was

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introduced which changed the numbers. If you adjust for that change the overall increase of 17% would be a decline of 5%.¹⁵

Q199 Mr Davidson: Did you have the opportunity to see this Report?

Mr Muir: Yes, I did.

Q200 Mr Davidson: Why did you not draw that to the attention of the National Audit Office at the time in order that a change could be made?

Mr Muir: As it happens I have been doing a parallel exercise on BTP in the last three or four weeks and it was only during that exercise that I did this sum.

Q201 Mr Davidson: So you prepared for this hearing but you did not prepare for the discussions with the National Audit Office, which is fair enough, I suppose? Can I just clarify the 37% increase in assaults on staff? Is that just a statistical anomaly? That is certainly not part of reports I have had from railway staff.

Mr Muir: No, there is no reason why that particular change, the National Crime Recording Standard, should have changed that particular category of crime.

Q202 Mr Davidson: So you accept that a 37% increase in assaults on staff is a reasonable figure? Can you explain to me why you think that happened and to what extent it was because of cuts in operating expenses made by the train operating companies in an attempt to boost profits?

Mr Muir: I do not know whether assaults on staff have or have not gone up. I do know that any assaults on staff are very serious, that there are too many assaults on staff and we want to get them down.

Q203 Mr Davidson: Yes, yes. Without the waffle though the figure says it went up by 37%. You have had the opportunity to see this and to correct it if you thought it was wrong, so I presume you accepted it. What I was seeking clarification from you on was the explanation as to why you believe that during this period assaults on staff went up by such a substantial figure.

Mr Muir: Assaults on staff are serious. I merely repeat, and I apologise if I did not make it clearer when this was being done, that I do not know whether assaults on staff have gone up or not by 37%. I do know that they are serious at any level.

Q204 Mr Davidson: Would I be right in thinking that you are not taking this all that seriously then as an issue?

Mr Muir: I am taking it exceptionally seriously.

Q205 Mr Davidson: Why in that case are you unable to tell me whether or not this 37% increase in assaults on staff is genuine or a statistical blip?

Mr Muir: Because certainly in the last three years, and also before then, there has been a very heavy focus by train operators on assaults on staff. We have been positively encouraging reporting of assaults on staff. We have been introducing the new DNA swabs so that if people are spat at we are able to use a DNA swab to aid identification of the culprit.

Q206 Mr Davidson: So what is the latest figure?

Mr Muir: I do not know to what extent the increase is real or increased reporting of things that were not previously reported.

Q207 Mr Davidson: But you ought to check that surely? You are in a senior position. Surely you ought to have checked that at some stage? If this important matter was coming across the desk of almost any of us here we would have investigated whether or not the statistics were comparable, and I am astonished to find that you are telling me that you do not know.

Mr Muir: It is impossible to tell how much was unreported in 2001–02. I have to repeat that this is an exceptionally serious issue and it is one reason why the reporting numbers have gone up. It is because train operators have taken it so seriously in the last few years.

Q208 Mr Williams: All the questions on the Report have been covered but I was moved by the cynicism of my colleague, Mr Davidson, in his questioning. I think he has failed to take on board the real nirvana that was announced two days ago by Network Rail. I am not allowed to ask him questions, so I cannot ask him whether he knew about it but I will come to Mr Armitt. Mr Armitt, you told our Chairman that this press notice that we have was issued not exactly unconscious of the fact that you were attending this meeting today. Is that not a very generous interpretation of what you said?

Mr Armitt: In fact, I believe we sent Members a copy.

Q209 Mr Williams: You certainly wanted us to read the figures you put forward and I have been reading them. I wonder if you realise, Chairman, that this new regime that has just been announced by Mr Armitt suggests an incredible amount of neglect in the past with the need for up to £4 billion of investment in stations. That is interesting. You see, there are 2,000 stations. That means on average about £2 million a station. That does not make sense, does it? That is not going to happen.

Mr Armitt: No, it is not.

Q210 Mr Williams: Let us look at that £4 billion that you have floated before this Committee as a piece of evidence that you believe we should read. Much of that is going to come, of course, from you taking on

¹⁵ Note by witness: We have been in discussion with the NAO regarding the percentage change in total crime, stated as 17% in the Report. At the Committee I said this figure should have been a decline of 5%.

The adjustments arising from the change in the method in recording are complex and the figure we gave of 5% is not correct.

See also Ev 29.

DfT, ATOC, Network Rail, ORR and SRA

a property developer's role, and I do not object to that happening. What I object to is the attempt to misrepresent to this Committee what exactly this means to our constituents. The fact in your press release is, of course, that most of this £4 billion will go in retail developments and will go in offices and will go in residential development, will it not? Is that not the fact?

Mr Armitt: No.

Q211 Mr Williams: It is bound to be.

Mr Armitt: We did an estimate of the money which we believe needs to be invested over the next 10 to 15 years in, in the first place, the larger stations across the network. If you just take the 50 largest stations we calculated that about £2.2 billion was needed to go into those stations. We then looked at the broad generality of the next group of larger stations to see what was the level of investment needed to provide the increase in capacity to meet the expected demand in these stations. Take Birmingham New Street. The plans for Birmingham New Street at the moment are of the order, depending almost on which day of the week it is, of anything from £200 million to £700 million which needs to be invested in and around Birmingham New Street station to turn that into a much more user-friendly station for passengers. We, together with various agencies in the Midlands, are working with others at the moment to see how that can best be effected, how you get that money into the station through developers, who will obviously benefit through offices and housing and retail opportunities built around the station, and the money which then goes into the station fabric itself.

Q212 Mr Williams: I do not doubt that the stations are going to benefit as a result of what is happening. I am not challenging that but I am challenging whether they are going to develop to the extent that they will benefit to the extent you have tried to convince this committee in the press release you submitted to us. The £4 billion is in fact, as I understand it, going into investment in private sector involvement in partnership and so on in enhancement of the environment. We are told that Euston has a comparable area to Canary Wharf. All I am getting at here is that this document you have submitted actually was intended to lead this committee to expect far more going into the stations than there is the remotest prospect of them ever seeing.

Mr Armitt: Can I explain? The statement was not written for the Committee. The press release was written to bring out primarily to property developers and other people interested in the opportunities which exist in the railways the scale of opportunity which we see exists and to which we wish to attract developers. As far as the Committee was concerned we thought it was important because part of the Report recommends that this sort of thing should happen. The point we were wanting to make was that we are aware of it, we have been thinking about it for several months and it is not something which is a shot out of the dark. We have been planning this.

We simply wanted to make the Committee aware that we have got plans to do it, we intend to do it and we think it is very important.

Q213 Mr Williams: No-one has anyone has any problem with that. We want you to develop the sites as effectively as you can for the benefit of the network. The important point is that this does savour a little bit of spin just before you were coming here. We are told that stations are the shop window of the railway and next in line for investment and modernisation. We are waiting for modernisation such as electrification. We are waiting for new rolling stock, some of which is coming on stream and we are seeing that now. We are going to wait for a long time for the state-of-the-art safety systems to be installed along the network. If you are going to make £4 billion, good for you. If you are going to make that sort of money out of the property development I have no problem with that. All I am saying is that I do not like this Committee being misled into thinking that a major part of that is going into what would be a relatively small part of that, being the station development, and much of it will go into the other work which in many ways is a higher priority. That is my only cautionary point.

Mr Armitt: I apologise if you in any way feel that we have misled you. Our intention, as I say, was to demonstrate that we were doing things to bring money into that part of the railway network which certainly, because of other priorities, has not received as much funding as people would have liked over the last few years. The stations are the shop window. The stations are the shop window in two directions: they are the shop window to the railway and they are equally the shop window for the town itself, which is why at the moment a lot of work is going on at stations up and down the country where local authorities and PTEs are helping by providing funds for their local station to improve the appearance of the station for people arriving and departing in their town. A lot of money has gone into stations, however, in the last few years. Look at Manchester Piccadilly where £260 million investment went into that and has transformed it. We spent £260 million at Leeds station improving that. A lot has been going on but with 2,500 stations there are bound to be a large number which still need a lot doing and the idea of the clusters, which was the earlier question, was that in getting business to witness opportunity around the larger stations we can actually get some funds put to one side for those stations which otherwise would not receive funds.

Mr Williams: As I say, this Committee and the National Audit Office are always looking for the best possible utilisation of public assets but I have to bring Mr Davidson back down to earth, and despite the £4 billion there will not be gold under the rooms of the station.

Mr Davidson: But they will be open.

Q214 Chairman: Mr Armitt, this is a value for money Committee. In 2004–05, on top of a basic salary of £480,000, you received bonuses of £270,000, pension payments made by Network Rail

DfT, ATOC, Network Rail, ORR and SRA

of over £144,000 and other payments of £25,000, making £919,000. Is the travelling public getting value for money from you?

Mr Armitt: I would hope the travelling public feel that they are getting value for money from Network Rail. As a director of Network Rail what I am paid is decided by the Remuneration Committee and they take into account what directors of the company could expect to receive in similar scale companies elsewhere in business at large and they are very conscious of that responsibility and are keen to ensure that we do not get paid above the median in that respect. The bonuses were a result of the meeting of a whole series of targets which had been

set and those targets are made tougher every year. We fundamentally wish to provide a better service as directors of Network Rail and the company seeks to pay us what they think is the right market rate for achieving that.

Q215 Chairman: Have you personally made a difference?

Mr Armitt: I hope I have made a difference. That is for others to decide.

Chairman: Thank you very much, gentlemen. I am sorry it has been a long hearing but a very interesting one. We are very grateful.

Supplementary memorandum submitted by the Association of Train Operating Companies

Question 21 (Mr Edward Leigh): *Conditions at Market Rasen Station*

Market Rasen has a regular (broadly two-hourly) service with trains running between Grimsby and Newark. Connections can be made at Lincoln with stations in South and West Yorkshire and Nottinghamshire, and southwards towards Peterborough; also at Newark on to the East Coast Main Line to London and the North of England and Scotland.

Although Central Trains has fulfilled its franchise obligations in relation to maintenance of this station, there has been a history of persistent vandalism problems, which have undermined the efforts of the train operator to improve the cleanliness and appearance of the station. Nevertheless, Central Trains is presently looking again at the effectiveness and efficiency of its station cleaning and maintenance regimes and we expect standards to improve as a consequence of the review. They are also, in conjunction with Network Rail and the local authority, sympathetically restoring the waiting shelter on the Lincoln direction platform. It is a listed building which has presented a number of planning challenges, but the work is now in hand.

Central are also about to launch a community initiative called 'Adopt a Station' to encourage the adoption of various stations by the communities they serve, particularly those in rural areas, one of the aims being to increase awareness and vigilance around unstaffed stations. In addition the recent development of the Tesco supermarket adjacent to the station at Market Rasen is an opportunity for the local authority and community to work together on increased vigilance and security. Discussions are already taking place and the British Transport Police are also looking at what more can be done on the vandalism and crime prevention fronts at the station.

Question 61 (Mr Richard Bacon): *PA systems in stations*

The Committee were concerned that the NAO Report highlighted that whilst 39 of the 60 small and medium sized stations visited had PA systems but that train announcements were not being made at 21 of these stations. We have obtained a list of the 21 stations from the NAO and investigated the circumstances in each case. I have summarised the results of our investigation in the attached Word document.

You will see from the attached summary, that at four of the stations in question there is PA system in use and at a further 10, the PA is only used to provide information in the event of disruption to services or for security purposes. In a further two cases, the hours that the PA system works is restricted. All these stations have been shown in italicised format in the attached document.

Of the remaining five locations, four had suffered from vandalism and/or technical problems whilst the fifth, West Ham, is managed and operated by London Underground.

<i>Station</i>	<i>Notes</i>
<i>Arlesey</i>	PA system is connected to CIS and therefore announcements made automatically. Local override facility from Ticket Office. PA system has suffered from vandalism.
<i>Spalding</i>	<i>Announcements made by Ticket Office staff. No announcements after 1430 when Ticket Office is closed</i>
<i>Birkenhead North</i>	<i>PA controlled by Sandhills Control Centre. PA only used when delays occur or for security announcements.</i>

<i>Station</i>	<i>Notes</i>
<i>Edgehill</i>	<i>PA controlled by Liverpool Lime Street station. PA only used when delays occur or for security announcements. Local override facility from Ticket Office.</i>
<i>Wallasey Village</i>	<i>PA controlled by Sandhills Control Centre. PA only used when delays occur or for security announcements.</i>
<i>Cardonald</i>	<i>PA controlled by Paisley Gilmour Street Control Centre. PA only used when delays occur or for security announcements.</i>
<i>Greenock Central</i>	<i>PA controlled by Paisley Gilmour Street Control Centre. PA only used when delays occur or for security announcements.</i>
<i>Pollockshields East</i>	<i>PA only used when delays occur or for security announcements. Announcements made by Glasgow Central. Local override facility in Ticket Office.</i>
<i>Barming</i>	<i>Unstaffed. No PA system. Visual system only (CIS screen) for train information.</i>
<i>Crowthorne</i>	<i>Automated announcements from Swindon Control. PA system has been out of order (technical problems) but now working.</i>
<i>Sandling</i>	<i>Unstaffed. No PA system. Visual system only (CIS screen) for train information.</i>
<i>West Dulwich</i>	<i>Automated announcements from Control. Local override facility at station. PA not used before 0700 and after 1900 to satisfy local residents.</i>
<i>Harwich Town</i>	<i>Unstaffed station. Long line automated system from One Railway Control Centre. System has suffered technical problems and also vandalism to PA at station.</i>
<i>West Ham</i>	<i>London Underground managed station. c2c provide information to station on delays etc but have no control over PA announcements.</i>
<i>Dinas Powys</i>	<i>Unstaffed station. Has old PA system from BR days that is no longer in use. Station has visual unit (CIS screens) for train information.</i>
<i>Market Rasen</i>	<i>Unstaffed station. PA system has been vandalised and is out of order. When operating announcements made from local signal box.</i>
<i>Wembley Stadium</i>	<i>PA announcements made by the Control Centre in Banbury. PA only used when delays occur or for security announcements.</i>
<i>James Street</i>	<i>PA controlled by Sandhills Control Centre. PA only used when delays occur or for security announcements.</i>
<i>North Berwick</i>	<i>Unstaffed station. PA controlled by Dunfirmline Control Centre. PA only used when delays occur or for security announcements.</i>
<i>West Calder</i>	<i>Unstaffed. PA controlled by Dunfirmline Control Centre. PA only used when delays occur or for security announcements.</i>
<i>Yalding</i>	<i>Unstaffed. No PA system. Visual unit only (CIS screen) for train information.</i>

Question 138 (Mr Sadiq Khan): *Legal framework covering Train Operating Companies and disability*

The Disability Discrimination Act (DDA) currently applies to station services but excludes on-train services (such as train buffets), which will be covered by the Act from December 2006. Despite this, Train Operating Companies (TOC) endeavour to provide support for disabled passengers at all stages of their journey.

TOC's are also required to ensure that their trains are accessible under the Rail Vehicle Access Regulations (RVAR). These have had the effect of meaning that any new rolling stock or refurbished since 1999 has to meet these standards.

In addition, TOC franchise agreements require them to produce a Disabled Person's Protection Policy (DPPP) which details the arrangements that allow disabled people to access their services.

Question 139 (Mr Sadiq Khan): *Assistance for individual Disabled Passengers*

TOCs use a number of approaches to provide assistance to disabled customers. This assistance is co-ordinated through the Assisted Passengers Reservation Service (APRS), which all TOCs currently participate in. APRS allows passengers who require additional help due to a disability to book assistance in advance of their journey. This can include help with carrying luggage, guiding visually impaired people on and off trains and assistance for people with mobility impairments. Assistance can be provided at origin, interchange or destination stations. Last year APRS was used to arrange assistance for around 250,000 journeys across the rail network. To secure APRS assistance passengers contact the relevant TOC directly who then makes all the necessary arrangements.

The train operators through ATOC, have recently agreed to spend a further £625,000 on improving APRS. We are also hoping to secure funding for further improvements from the Department for Transport's new 'Access for All' fund.

Earlsfield station is managed by South West Trains (SWT). The station is a Victorian construction, built at a time when disability was not at the forefront of considerations. In light of this, the platforms can only be accessed via stairs. The station is staffed between 06.00 and 20.48 Monday to Saturday and 10.00–18.00 on Sundays.

For passengers who are unable to use the station stairs because they have mobility impairments, the current practice is to arrange alternative transport (usually an accessible taxi) to the nearest accessible station with step free access.

In order that arrangements can be made, SWT recommends that passengers who require assistance should book in advance of travel. To facilitate bookings, SWT offers free telephone and text phone booking services and also allow bookings to be made on their website. Nevertheless, some disabled customers do not book and simply arrive at the station. In these circumstances staff do their best to provide assistance, including arranging alternative transport to an accessible station, whenever possible, but other operational pressures mean that such support can not be guaranteed.

When booking for assistance is received for a time at which the station concerned is unstaffed, SWT will send a member of staff from the nearest fully staffed station. If this is not possible, alternative arrangements will be made for the customer following discussions with them however, once again, SWT will be unable to provide immediate assistance if a disabled customer does not book in advance and simply turns up at Earlsfield, or any other station, during periods when the station is unstaffed.

SWT have given Earlsfield a high priority for improvement and are currently in discussion with the DfT about the possibility of funding from the new 'Access for All' fund. The position looks reasonably optimistic at the moment, although the DfT have yet to make final decisions. If funding is secured, improvements to make the station accessible would be completed within three years.

Wandsworth Common Station

The Station has four platforms, of which only two, platforms 1 and 2 are in regular scheduled use. Only platform 1 has step free access, platform 2 being reached via steps only. The access to platform 1 is via a rear entrance 400 metres from the ticket office by road.

Platform 1 is used by trains towards Croydon/London Bridge. Platform 2 is used by trains to Victoria. Passengers requiring step-free access may, in some cases, therefore have to use platform 1 and change trains to reach their destination. This is also true of passengers travelling to Wandsworth Common, if their train service is scheduled to arrive at platform 2.

The booking office has step free access and is staffed from 06.30 to 20.04 on weekdays, 07.30 to 14.24 on Saturdays and 08.15 to 17.40 on Sundays.

Train services that call at Wandsworth Common are Driver Only Operated (DOO). As a result, Southern cannot guarantee to provide a ramp or assist with boarding/alighting unless the passenger has booked this 24 hours in advance. This can be done through Southern's freephone assisted travel service, or via their website. There may be a substantial delay in providing assistance to any passenger who has not booked. Any passenger unable to access the station because of the steps will be offered a taxi to the nearest accessible station in order to continue their journey.

Wandsworth Common has recently been fitted with new, low level ticket machines. These can issue tickets with Disabled Person's Railcard discounts. There are customer information screens and interactive help points throughout the station. The booking office is fitted with an induction loop and there are two disabled parking bays adjacent to the ticket office.

In order to make this station fully accessible lifts to permit step free access to platform 2 need to be installed. It is estimated that this will cost in excess of £3 million and there is no provision within Southern's franchise agreement to pay for this. The 'Access for All' fund is the most likely source of funding. However, whilst the DfT are still to make final decisions, it is unlikely that Wandsworth Common will benefit from early funding as Southern has 78 stations without step free access, many of them with higher usage than Wandsworth Common.

Question 148 (Kitty Ussher): *Provision of train stations in the Burnley constituency*

Four of the five stations in Burnley are unmanned, the exception being Burnley Central.

Burnley Manchester Road has an hourly service of trains connecting Blackpool/Preston with a range of towns east of the Pennines including Halifax, Leeds and York. It has a range of facilities such as waiting shelters, information displays and a public address system, but there is no booking office or ticket machine. Tickets are issued on the trains, a common arrangement on the regional network.

The County Council has an aspiration to provide a staffed booking office and to upgrade the passenger facilities at the station but to date cost has precluded the development of this. However, the area has been considered for generation as part of the master plan for Burnley and it is possible that the station may gain funding for the refurbishment through the Northwest Regional Development Agency and consequently also from the Lancashire County Council (LCC) Local Transport Plan.

Burnley Central, Burnley Barracks, Rose Grove and Hapton are served by a local stopping service connecting Blackpool and Preston with Colne—frequency is hourly.

Burnley Central has a small booking hall, waiting area and public address facility, with adequate displays of information both at the entrance of the station and in the booking hall. The station is located in a relatively run down part of the town and the newly formed East Lancashire Community Rail Partnership (ELCRP) is hoping to transform the areas by means of a social enterprise project. Possible actions include the formation of a Trust for the regeneration of the area and the station building.

There were plans for the reconstruction of the station developed by First North Western and LCC but the project was not pursued because the funding gap was too great for the local authority to bridge. However as part of the ELCRP initiative it is hoped that either an extensive refurbishment of the existing building or, alternatively, its replacement with a simpler style of building can be developed—with possible implementation in 2007–08.

Burnley Barracks is the least busy of the Burnley stations, it's relatively isolated and suffers vandalism. It does, though, have potential as under East Lancashire Housing Renewal Pathfinder scheme it may soon have a significant number of houses built close to it, and therefore more use is likely to be made of it in the future.

At Rose Grove, a close circuit television scheme is being considered as a prelude to a larger refurbishment but no timescales have yet been agreed between the local authority, Northern Rail and Network Rail.

Like Rose Grove, Hapton station has only basic facilities, but the potential for the station of a link into the East Lancashire Regional Park initiative is being looked at for a bid for some funding to initiate design work.

These stations illustrate very well one of the NAO's main conclusions on lack of funding. Despite the efforts of the local train operator and other stakeholders, it has proved very difficult to fund improvements to Burnley's railway stations, particularly where usage is relatively low.

Mr David Mapp
Commercial Director

8 November 2005

Supplementary memorandum submitted by the Department for Transport

Question 32 (Jon Trickett): *Station enhancement at Northern franchise stations*

The Northern franchise (which runs until 18 September 2011, with a provision to extend to 15 September 2013 subject to the franchisee satisfying various criteria in the Franchise Agreement) imposes no specific requirements for station enhancements. It does, however, require the franchise holder to devise a programme for station maintenance and stipulates that stations must be returned at the end of the franchise period in at least as good a state as they were at the start.

There are separate provisions relating to disabled access. The franchise holder is required to allocate £250,000 per franchise year on a minor works programme comprising alterations or additions designed to improve accessibility at stations. There is a further requirement that the programme must be developed in consultation with representatives of disabled travellers, the Rail Passengers Council and other appropriate stakeholders.

There are a number of small schemes to upgrade station facilities including Modern Facilities at Stations (MFAS) work. There are also some major developments which are being funded entirely by third parties. These include:

- Limited upgrade to Bolton station, including refurbishment of the overbridge/lifts and some painting.
- Horwich Parkway—an upgrade to the booking office and a new waiting shelter. There is also a planned upgrade to the concourse and toilets.
- Burscough Bridge—virtual rebuild of the station now nearing completion. All funded by Lancashire County Council.
- St Helens station rebuild—major project now going out to tender. To be funded by Greater Manchester PTE.

Question 39 (Jon Trickett): *Spending related to the Disability Discrimination Act*

We do not hold information in this format. This is partly because accessibility improvements may be funded in a variety of different ways (for example, as part of a more general station upgrade or through a specific franchise commitment); partly because the funding may come from any one of a number of different sources (the franchise holder, Network Rail; private developers, local authorities or combinations of any or all of them); and partly because improved access for disabled people often results from works which benefit passengers in general so that it is not possible to identify what proportion of the cost relates to disabled access.

You may wish to know nevertheless that the SRA's consultation on Access for All recognised that simply allocating the £370 million to the stations serving the greatest number of passengers would mean that a very large proportion of it would be spent in London and the South East. The consultation therefore proposed that at least 25% of the total should be reserved for use outside this area. This, together with a number of other issues arising from the consultation, is now under discussion with Ministers.

Question 56 (Mr Richard Bacon): *Train information at stations*

Existing systems for providing information to passengers on how trains are running rely on information screens at the station linked to a central operator. Information is passed to the operator who relays it to the passenger information screens. Each installation is site specific; costs will usually be limited to those of the TV monitors and their mountings which are fixed, and those of the associated cabling which will vary widely according to the location.

A more sophisticated system involving satellite technology has been considered as part of the European Rail Traffic Management System (ERTMS). A progress report on ERTMS published by the Strategic Rail Authority in June 2005 quoted a cost of the order of £2.5 billion, though this was for a more basic version of the system which did not use satellite technology. There are counterbalancing savings and benefits but the safety and business case has yet to be demonstrated.

Passenger information systems which use satellite technology to track the position of vehicles have been in use for some time in the bus industry and elsewhere. These systems are free standing and so do not rely on the prior installation of a signalling system like ERTMS. We have asked Network Rail to investigate the cost of a system of this sort for rail use and to consider whether there is a business case for its adoption.

Supplementary memorandum submitted by the Strategic Rail Authority

Questions 170–171 (Mr Ian Davidson): *Breach Notices*

<i>Date of Notice</i>	<i>TOC</i>	<i>Cause of Breach</i>	<i>Action Taken</i>
24 May 2004	Wales and West	Contravention of Clause 10.3, Schedule 4 of the Franchise Agreement by failing to list taxi telephone numbers on "Useful Information" posters.	Posters have been changed to include taxi telephone numbers.
24 May 2004	Wales and West	Contravention of Clause 14.1 and Document D of the Franchise Agreement by failing to carry out daily station inspections.	A contract change was processed to alter the commitment to exclude Sundays. Systems have been improved to ensure that daily station inspections take place.
18 June 2004	Gatwick Express	Contravention of Licence Condition 6, paragraph 5 of the Passenger Licence by failing to provide a copy of the Disabled Person's Protection Policy (DPPP) statement on request.	The Licence Holder has obtained the necessary approval and a robust process is now in place to ensure future compliance.
18 June 2004	Gatwick Express	Contravention of Condition 7, Paragraph 1 of the Passenger Licence by failing to complete the refunds to passengers within the prescribed timescales.	The Licence Holder ensured that by 31 July 2004 processes were reviewed and amended as necessary to ensure future compliance.
16 August 2004	South Eastern Trains	Contravention of Clause 10.3, Schedule 4 of the Franchise Agreement by failing to display a "Universal Information Welcome" poster at Blackheath Station.	The Franchise Operator agreed to implement a minimum station standards project to ensure compliance at all stations and also agreed to carry out a series of station standards audits on an ongoing basis to monitor this commitment.

<i>Date of Notice</i>	<i>TOC</i>	<i>Cause of Breach</i>	<i>Action Taken</i>
16 August 2004	ScotRail Railways Limited	Contravention of Clause 8.1 (d) of the Franchise Agreement by failing to carry out the actions identified in Breach Notice dated 8 May 2003 in relation to setting up processes by which it could be verified that "Charter Performance Information" posters are displayed at each of the relevant stations within one week of the end of every period.	The Franchise Operator has put in place a process to acknowledge receipt of "Charter Performance Information" posters and record the date of display of that poster.
16 August 2004	ScotRail Railways Limited	Contravention of Clause 10.1 of the Franchise Agreement by failing to gain SRA approval to terminate use of a footbridge at Stranraer station.	The Franchise Operator is now familiar with, and in future will follow, the correct closure process when seeking to cease to operate or terminate the use of any station or depot, or some part of a station or depot.
16 August 2004	ScotRail Railways Limited	Contravention of Clause 10.3 of the Franchise Agreement by failing to provide information regarding the nearest accessible station for passengers with mobility difficulties on information displays and/or signing.	The Franchise Operator is currently undertaking work to determine the nearest accessible station so that this information can be made available in its information posters. "Station Information" posters will be amended once this work is completed. Due to the large number of posters involved however, it should be noted that they may not be updated within the current franchise but the current operator has undertaken to ensure that this information will be prepared and made available to the new franchisee.
25 August 2004	CrossCountry Trains Limited	Contravention of Paragraph 17.5 of the Franchise Plan by failing to provide basic information in relation to train services (ie the NRES telephone number) in local Stagecoach bus timetables in an urban area. The NRES number was not provided on Stagecoach integrated bus timetables in the Exeter, Torquay, Paignton and Chesterfield areas.	The Franchise Operator will incorporate the NRES number in updated Stagecoach bus timetable for Summer 2004.
25 August 2004	CrossCountry Trains Limited	Contravention of Paragraph 22 (c) of the Franchise Plan by failing to roster six customer service assistants on duty at Birmingham New Street station between 08.00 and 13.00 on Thursdays at the time of the CrossCountry 2003 Assessment.	The Franchise Operator will roster six members of staff at times required.
25 August 2004	Cross Country Trains Limited	Contravention of Paragraph 17.6 of the Franchise Plan by failing to provide Bus Add-On timetable information for urban areas (as listed in Annex 1 of the Franchise Plan) at Cheltenham, Gloucester and Leamington Spa stations.	<p>The Franchise Operator will publicise the Northern Lake Coach connections in the new route timetable, and the frequency of this service on weekdays and weekends. The NRES number is given on the relevant CrossCountry Timetable Route guide for further information on timings of this service.</p> <p>The Franchise Operator will give details of the PlusBus scheme (this replaces the Bus Add-On Scheme) and urban areas where it is available in its relevant rail timetables.</p>

<i>Date of Notice</i>	<i>TOC</i>	<i>Cause of Breach</i>	<i>Action Taken</i>
25 August 2004	CrossCountry Trains Limited	Contravention of Paragraph 17.6 of the Franchise Plan by failing to indicate stations where Bus Add-On schemes were available in the CrossCountry rail timetables The operator will give details on Northern Lake Coach connections in relevant timetables.	The Franchise Operator will indicate stations at which the PlusBus scheme (this replaces the Bus Add-On Scheme) is available from in the CrossCountry September 2004 timetables.
29 November 2004	GNER	Contravention of Paragraph 8.4.2 of the Franchise Plan by failing to complete Station Subway refurbishment by not installing CCTV at Darlington by derogated date of 11 June 2004.	The Franchise Operator will use best endeavours to complete this scheme by 30 November 2004. It shall be completed no later than 31 December 2004.
29 November 2004	GNER	Contravention of Paragraph 9.3 of the Franchise Plan by failing to install CCTV monitors in the bicycle storage at any of the 12 stations where GNER is Station Facility Owner by derogated date of 3 June 2004.	The Franchise Operator will use best endeavours to complete at Darlington by 30 November 2004, it shall be completed no later than 31 December 2004.
29 November 2004	GNER	Contravention of Paragraph 8.7 of the Franchise Plan by failing to deliver station toilet refurbishments at Grantham by derogated date of 25 June 2004 and at Newark where toilet refurbishment on Platforms 1 and 2-3 was not delivered by the derogated date of 6 August 2004.	The commitment was met on 18 August 2004. As these commitments were met on 11 August 2004, 16 August 2004 and 18 August 2004 no further action was taken.
25 January 2005	Southern Railway Limited	Contravention of Condition 6 of the Licence by failing to meet Part 3(c) of its DPPP in respect to providing assistance to a disabled passenger.	The Franchise Operator to ensure that processes are in place to prevent this happening again.
7 March 2005	Chiltern Railway Company Limited	Contravention of Clauses 6.2.1.3 and 6.2.2 of the Franchise Agreement by failing to provide level access at Gerrards Cross and Dorridge Stations.	The Franchise Operator assured the SRA that lifts both at Gerrards Cross and Dorridge will be in passenger service on 31 March 2005.

Supplementary memorandum submitted by the National Audit Office

1. This note reconciles the figures for trends in crime on the railways between 2000–01 and 2003–04 presented in paragraph 3.15 of the National Audit Office Report with the evidence provided to the Committee by Mr Muir, Director General of the Association of Train Operating Companies (ATOC).

2. Paragraph 3.15 of the NAO Report states that the total number of notifiable offences recorded by the British Transport Police (BTP) on the railways rose by 17% (to 65,051) between 2000–01 and 2003–04. Some of this increase can be attributed to the increase in the number of passengers using the network and some to a change in the National Crime Recording Standard in April 2002, which resulted in more offences being recorded in official figures. In preparing its report for Parliament, the NAO considered that there was no reliable way of isolating the effect of the increase in the number of passengers from the effect of the change in the Recording Standard. The NAO agreed the paragraph with the British Transport Police.

3. In response to questions from Mr Davidson (Qq 199 to 201), Mr Muir told the Committee that, subsequent to the publication of the NAO report, ATOC had adjusted the crime statistics to take account of the effect of the change in the Recording Standard and calculated that crime on the railways fell by 5% over the period.

4. The NAO has reviewed ATOCs calculations and found that ATOC adjusted the levels of crime recorded by the BTP for 2000–01 and 2001–02 on the basis of a July 2003 Home Office analysis¹⁶ of the impact of the change in the Recording Standard on recorded crime in a sample of 25 of the 43 police forces in England and Wales. The British Transport Police was not covered by the study. This Home Office study concluded that the effect of the change in the Recording Standard had been to increase the numbers of crimes recorded nationally by 10% in 2002–03. ATOC reduced the levels of crime recorded by the BTP by 10%. This approach assumes, however, that the change in the Recording Standard had the same effect on BTP crime levels as it did nationally, despite the Home Office report noting that the effect will vary from police

¹⁶ *National Crime Recording Standard (NCRS): an analysis of the impact on recorded crime: companion volume to Crime in England and Wales 2002–03*, Jon Simmons, Clarissa Legg and Rachel Hosking (Home Office Research, Development and Statistics report 31/03).

force to police force, while the mix of the most common types of crimes also differs between forces. The NAO therefore consider that using the Home Office study to abate recorded railway crime data by 10% is not a wholly reliable way of stripping out the effect of the change in the Recording Standard on recorded crime over the period.

5. Mr Muir was also mistaken in reporting to the Committee that, after adjusting the figures by 10%, there was a 5% fall in crime over the period. The change in the level of BTP recorded crime between 2000–01 and 2003–04, after a 10% adjustment and after excluding crime on the London Underground, was an increase of 6%.
