



Transport Delivery Committee

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| Date | 14 May 2018 |
| Report title | Rail Business Report |
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| Report to be/has been considered by | Councillor Roger Horton – Lead Member Rail and Metro |

Recommendation(s) for action or decision:

The Transport Delivery Committee is recommended to:

- Note the content of the report

1.0 Purpose

To provide an update relating to the performance, operation and delivery of rail services in the West Midlands including on rail operator partnership agreements and West Midlands Rail (WMR) activity.

2.0 Section A – Background

- 2.1 Transport for West Midlands (TfWM) and West Midlands Rail currently work to influence the management and delivery of rail services and projects.
- 2.2 This report provides a summary of rail activity in the TfWM and wider WMR areas between February and April 2018.

3.0 Section B – Rail Reorganisation

- 3.1 The combined TfWM and WMR rail team has now been in existence for over half a year. A Task and Finish Group has been created to oversee the transition to one team, and ensure that the necessary checks and balances are established. This is due to report back in the Summer.

4.0 Section C – West Midlands Franchise

- 4.1 A number of important milestones in the life of the Franchise have been reached between February and April 2018. Perhaps the most significant occurred on 1st April. This was when Wolverhampton station transferred from the West Coast Franchise (operated by Virgin Trains since 1996) to the West Midlands Railway brand of West Midlands Trains. This move, which will help facilitate the City Council's £132m station rebuilding scheme and put Wolverhampton more firmly within in the local rail network, would not have occurred without the involvement of WMR.



(Examples of the new West Midlands Railway branding at Wolverhampton Station)

- 4.2 The 1st April also marked the go live date for the Service Quality Regime. This is the series of incentives designed to improve the standard of customer service offered to passengers in the West Midlands. WMT engaged closely with WMR in the weeks leading up to the 1st April, and invited WMR to attend one of their SQR staff roadshows on 20th April (appropriately enough at Wolverhampton station). This is encouraging as the success of the SQR will depend on WMT winning over the hearts and minds of their staff such that the principles of the SQR are embedded in everything they do.

- 4.3 A third first occurred on 26th March. This was the inaugural Franchise Quarterly meeting. This is the most senior event in the franchise management governance hierarchy, and includes amongst others the Managing Director from WMT, representatives from WMT's parent company Abellio, the Market Lead from DfT, as well as the Executive Director from WMR. The meeting covered a range of issues, including WMT's December 2018 timetable, the SQR, safety performance, financial performance, and the 2022 Commonwealth Games.
- 4.4 The Quarterly meeting was also important as it was a formal demonstration to WMT of the collaborative way in which WMR and DfT intend to manage the Franchise. This was further enriched on 5th April when DfT and WMR came together to draft a joint commercial plan for the Franchise. Commercial plans such as this are a requirement of any Franchise let by the DfT, but it is highly unusual for the Department to develop one in partnership with another body. That they have consented to do so shows the estimation with which we are currently held, and demonstrates DfT's commitment to making the partnership work.
- 4.5 Another indication of the growing regard with which WMR is held in the DfT occurred in February, when WMR was asked to prepare a briefing, including a speech, for the Rail Minister ahead of a debate in the Houses of Parliament. The debate had been convened by the MP for Telford, and concerned services between the town and Birmingham. The speech provided an opportunity for WMR to raise awareness of its role, and demonstrate its credibility and capability. These aims seem to have been achieved, as the speech received positive feedback from the DfT civil servants and the Minister himself. A link to the speech can be found here <https://hansard.parliament.uk/commons/2018-02-06/debates/FA65228D-D4BD-4219-9ECB-5B438F208150/TrainServicesTelfordAndBirmingham>

4.7 Revenue Protection

In their presentation to the Transport Delivery Committee in December 2017, West Midlands Trains advised that they intend to make revenue protection one of their priorities for the first few years of the Franchise. In his address, Managing Director Jan Chaudhry-van der Velde justified this on the basis that it is much easier to collect all the revenue that is due than it is to attract new customers. Indeed, analysis undertaken during 2016 suggested that between £5m and £16m revenue was being lost in the West Midlands as a result of fare evasion. At the time of writing West Midlands Trains were still undertaking a reorganisation of their business, including their revenue protection function. Once this has concluded we expect to see their strategy for tackling this issue, and will share details from this at future TDC meetings.

4.8 Safety and Security

February witnessed a very unfortunate incident where a passenger fell between the train and the platform edge at Kings Norton as a train was moving. Whilst thankfully they survived, they still suffered life changing injuries. The incident is subject to a formal investigation by WMT. The initial findings suggest that the person was under the influence of alcohol. The Rail Accident Investigation Branch (RAIB) and the British Transport Police (BTP) have advised WMT that they will be taking no further action. Unfortunately, staff assaults have risen since the New Year. This is partly due to staff being encouraged to report more incidents, and also from WMT's attempts to be more proactive in protecting their revenue. The rise in staff assaults will be addressed through WMT's new security strategy, and by their continued funding of two BTP roles.

5.0 Section C – Projects Update

5.1 Park & Ride

This is subject to a separate paper to be presented at the June TDC meeting.

5.2 Longbridge

This will be covered in the separate P&R paper, which will be presented at the June meeting.

5.3 University

WMR and TfWM are actively taking forward the project to rebuild University station. Ground and archaeological investigations occurred over the Easter period which gave more surety for the next stage of development work. Pedestrian flow modelling has also been commissioned. Historic England remain closely engaged given their role in granting Scheduled Monument Consent and meetings with the architects developing the university campus have also been held. WMR is working with GBS LEP to release £2m of development funding to fund the next stages of work. Funding for the overall project remains a critical risk.

5.4 Perry Barr

WMR and TfWM are actively pressing ahead with developing a project to rebuild Perry Barr station in order to meet both the requirements of the Commonwealth Games and the longer term regeneration needs of the area. Consultants to develop the scheme are being appointed.

5.5 Snow Hill 3rd Access

The scheme to develop a new entrance to Snow Hill station, which will link into the existing Livery Street entrance and provide enhanced connectivity with St Chads metro stop, is being actively progressed. An outline programme for development and delivery has been developed with an aspiration for opening

within 12 months. The project is included within the 2018/19 TfWM capital programme. Engagement with the Birmingham City Council planning team is underway with a view taking the project through the planning process as soon as possible. The rail industry is being challenged to streamline its processes to facilitate the rapid delivery of this project.

5.6 **Bromsgrove**

Bromsgrove station has successfully transitioned from London Midland to WMT, who are operating the station under a new management contract. The extension of electric wires from Longbridge to Bromsgrove is expected to be completed later this summer, which will facilitate a trebling in the number of services provided from the station to central Birmingham.

6.1 **Section D – New Stations**

- 6.1 WMR and TfWM continue to work actively on the work packages for the new stations. At Willenhall/Darlaston a tendering process to develop the stations up to GRIP4 has been undertaken and consultants have been appointed to undertake this work. Work on the Camp Hill Line stations has reached a similar point, and work is also underway to understand the options for providing a train service to these stations. With regards to Brierley Hill, a tendering process to develop the stations will shortly be undertaken. The specification for this work will include track, signalling and station changes at Stourbridge Junction that will be necessary to allow the proposed new services to operate. This may include the provision of a new platform.
- 6.2 WMR will also be working with partner authorities to undertake work reviewing the demand and strategic case for stations on the Water Orton corridor.

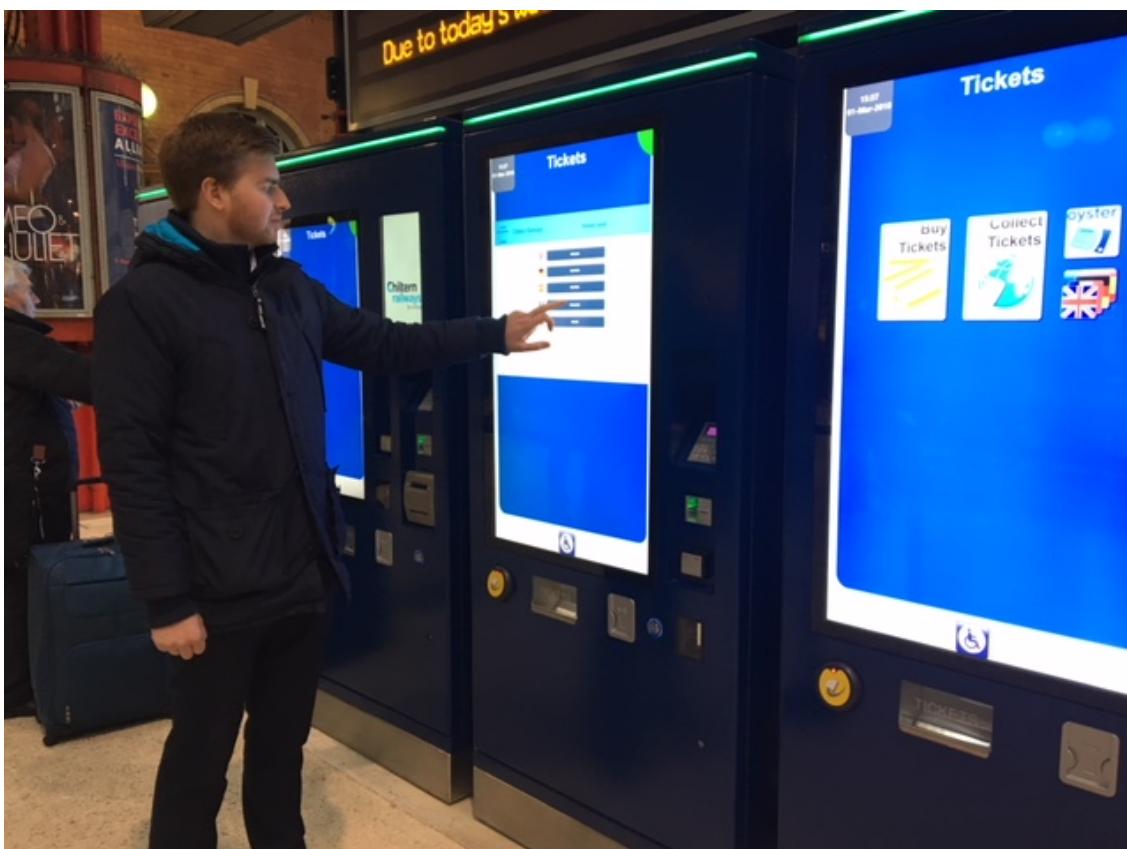


(The Secretary of State for Transport's visit to the Camp Hill Line, 08/03/2018. From left to right Jan Chaudhry-van der Velde (WMT), Andy Street, Cllr Stewart Stacey, Chris Grayling, Malcolm Holmes (WMR), Laura Shoaf (TfWM), Martin Frobisher (NR)).

7.0 Section E - Chiltern Railways Partnership Agreement

- 7.1 The TDC approved the refreshed Chiltern Partnership Agreement at the April meeting, subject to some amendments to the section covering governance. A formal signing ceremony is in the process of being arranged, and will take place after the May local elections.
- 7.2 Chiltern Railways was named Train Operator of the Year at the 20th Rail Business Awards in London. The judges noted that in addition to completing and launching the new route to Oxford, Chiltern has achieved some impressive scores in the National Passenger Survey for punctuality, reliability and overall customer service. They also said that Chiltern was a "worthy winner" and commended the company for carrying increased numbers of passengers without compromising its high service standards.

- 7.3 Chiltern, together with partners WIFI SPARK and Icomera, was also awarded highly commended in the Customer Service Excellence category for the Continuously Connected Wi-Fi project, which in 2017 saw seamless platform to train Wi-Fi rolled out across all services.
- 7.4 Chiltern have launched a continuous improvement plan, which includes a £2 million investment in ticket vending technology (see image below) and a £1.5m investment in on-train and on-station improvements like waiting and customer facilities, as well as a range of on-train enhancements.



(New TVM in action at London Marylebone)

- 7.5 Chiltern will become the first train operator to recycle coffee cups on stations when they introduce a new recycling scheme later this year. As part of their commitment to addressing environmental challenges, the company will work in partnership with Simply Cups – the only dedicated and workable cup recycling scheme currently operating in the UK.
- 7.6 TfWM, WMR, Solihull MBC, Network Rail and Chiltern Railways are working jointly to seek opportunities to make improvements to the railway station in Solihull Town Centre. This focusses on ideas to provide a better customer experience at the station and on the walking and cycling route to the town centre. Proposals are currently being considered, and funding opportunities sought.

7.7 Chiltern Railways performance

Tables 1-2 demonstrate Chiltern Railways performance during periods 12 and 13 (February and March).

| PPM | PS TARGET % | ACTUAL % |
|--------------------|-------------|----------|
| Period PPM | 93.72 | 90.53 |
| PPM MAA | 94.06 | 92.74 |
| CHARTER | TRIGGER % | ACTUAL % |
| Punctuality MAA | 92 | 92.04 |
| Reliability MAA | 99 | 99.39 |
| Right Time Railway | PERIOD % | MAA % |
| | 76.11 | 78.94 |

Table 1. Chiltern Railways performance in rail period 12

| PPM | PS TARGET % | ACTUAL % |
|--------------------|-------------|----------|
| Period PPM | 95.25 | 94.17 |
| PPM MAA | 94.00 | 92.60 |
| CHARTER | TRIGGER % | ACTUAL % |
| Punctuality MAA | 92 | 91.84 |
| Reliability MAA | 99 | 99.37 |
| Right Time Railway | PERIOD % | MAA % |
| | 80.77 | 78.71 |

Table 2. Chiltern Railways performance in rail period 13

- 7.8 Chiltern have experienced a difficult start to 2018, with snow, signal failures, fatalities and train faults all contributing to a reduction in the company's PPM MAA. The specific Punctuality measure has dropped below an MAA of 92%, which means that customers can obtain a 5% reduction on the renewal of their season ticket.
- 7.9 Chiltern also saw a reduction in their overall satisfaction score in the Autumn 2017 NRPS survey. This fell from 92% in Spring 2017 to 88%. The decline was driven by a combination of poor punctuality and reliability, lack of car parking spaces, and the provision of information during disruption.
- 7.10 In response Chiltern are investing £1.5m in improving stations, installing ANPR at car parks, introducing on-train entertainment, focusing on reducing the number of train breakdowns, and improving how they recover from disruption.

8.0 Section F – Virgin Trains Partnership Agreement

- 8.1 The TDC approved the new Virgin Trains Partnership Agreement at the April meeting, subject to some amendments to the section covering governance. A formal signing ceremony is in the process of being arranged, and will take place after the May local elections.

9.0 Section G – Stations Alliance and Rail Investment Strategy

9.1 Rail Investment Strategy (RIS)

- 9.2 The strategy is being led by Ian Baxter (Project Director) and Andy Clark (Programme Manager), with support from Luke Bodin and the wider team at WMR. They have been working on behalf of West Midlands Rail to model different train service specifications. This work focuses upon the Wider Economic Benefits (WEBs) of enhanced rail services offering faster, more frequent and new connectivity across the West Midlands.
- 9.3 The train service specifications take direct account of:
- WMR Stakeholder Aspirations - WMR's constituent local authorities' aspirations for improved service / new station provision.
 - Rail planning - Planned changes on the railway network, including HS2 1 / 2A (2026) and HS2 2B (2033), with released capacity and timetable re-casts on some corridors.
 - Midlands Rail Hub and Midlands Connect - Plans for Midlands Rail Hub, facilitating capacity for 10 additional trains per hour through Central Birmingham, and Midlands Connect's regional service aspirations.
- 9.4 The modelling tests new rail connectivity against two growth scenarios, with Scenario A using the Department for Transport's TEMPRO database of population, housing and employment site growth within local planning authorities' Local Plans up to circa 2030. Scenario B makes assumptions around additional growth over and above that captured in Scenario A.
- 9.5 Initial modelling results for Scenario A were shared with officers in early March, with a workshop session held on 5th March. Key findings in regard to Scenario A include evidence that committed and aspirational schemes in the current west Midlands Trains franchise to 2025 offer significant uplifts in Gross Value Added (GVA) and hence are considered well worth pursuing. The results also demonstrate the level of GVA uplift offered by HS2's arrival in the region from 2026. The Midlands Rail Hub, as outlined in Network Rail's West Midlands and Chilterns Route Study, similarly offers further significant value, indicating that this is a key required and rational development. The final scenario, based on a future year of 2047, indicates a GVA uplift of £195m per annum, based on all WMR train service aspirations.
- 9.6 Systra Ltd has just concluded its work on Scenario B and these results are being reviewed.
- 9.7 WMR has undertaken initial work around the deliverability of the scenarios tested, which has shown that train service enhancements up to 2034, including Midlands Rail Hub, require a number of significant but deliverable infrastructure upgrades. The capability of the network to accommodate further growth to 2047

may be more challenged and we will be developing our view on this key feature in advance of the June 2018 WMR Board.

- 9.8 Having used the modelling to determine where our economically-evidenced investment priorities may lie, WMR is currently undertaking a scoring exercise to capture wider criteria, such as accessibility to economic growth sites, level of policy support and impacts on key environmental criteria. The results of this scoring assessment will be shared with ORDG at the April meeting.
- 9.9 Having concluded the scoring process, the identified priorities will then be placed into a strategic timeline reflecting both value and deliverability, and providing consistency with wider changes taking place on the network as a result of HS2, grouped into four stages:
 - 2021 - Quick wins that could be introduced by 2021.
 - 2021 - 2026 - Life of the West Midlands Trains franchise and pre HS2 1 / 2A.
 - 2026 - 2034 - Between HS2 1 / 2A and HS2 2B plus Midlands Hub.
 - 2034 - 2047 - With Midlands Connect delivery and full WMR aspirations.
- 9.10 A key element of the strategy development process is engagement with stakeholders, both within and outside of the railway industry. The strategy team has met with both Midlands Connect and Network Rail and is planning to attend a forthcoming Rail Industry Working Group to enable the emerging findings to be shared with the wider rail industry, including Train Operating Companies and Freight Operating Companies.
- 9.11 Key forthcoming milestones for the strategy are as follows:

Score schemes using assessment criteria - **April 2018**

Develop Technical Report, Executive Summary and Proposed Consultation Approach - **May 2018**

Present Strategy to WMR Board of Directors - **June 2018**

- 9.12 Public and wider stakeholder consultation is planned for July and August 2018.

10 Stations Alliance

- 10.1 Consultants Weston Williamson and GHD have now produced draft final Station Alliance Master Planning pilot project reports for the Stour Valley (Wolverhampton – Birmingham) and Chase (north of Walsall to Rugeley Trent Valley) lines and these are being considered by WMSA partners and local

planning authorities before finalisation. Two stations for each pilot study line were prioritised by agreement with WMSA partners for more detailed development work, namely Sandwell and Dudley, Dudley Port, Cannock and Rugeley Trent Valley.

- 10.2 A full update on the Stations Alliance Master Planning pilot will be given to the next Transport Delivery Committee once the reports have been finalised.
- 10.3 The recruitment process for a Stations Alliance Manager, jointly funded by WMR, NR and WMR, has this far been unsuccessful but continues. The formal WMSA agreement has not yet been signed by WMR, Network Rail and West Midlands Trains but it is still hoped that this will happen within the next few weeks.
- 10.4 Further opportunities continue to be actively considered in relation to:
 - **streamlining internal and external processes** which could reduce costs and speed up project delivery
 - the establishment of a much **deeper Stations Alliance** between WMR, Network Rail and West Midlands Trains and potential creation of a single integrated WMSA Team.

11.0 Section H – Financial Implications

- 11.1 There are no direct financial implications as a result of this update report. Although the latest status position covering the current projects, new stations, Rail Investment Strategy and Stations Alliance is for noting in this report there are a number of significant financial risks and challenges against these that will be need to be carefully considered and responded to. This will form a key element as part of progressing the further development and/or delivery of these with all funding options and opportunities needing to be fully explored and quantified before any decisions are made.
- 11.2 Any costs incurred or support provided by TfWM or West Midlands Rail from supporting the activity in relation to the Chiltern and Virgin partnership agreements will be met from within agreed funding and resources.

12.0 Section I – Legal Implications

- 12.1 None

13.0 Section J – Equalities Implications

- 13.1 There are no direct equalities implications as a result of this report. However, it is worth noting that any current and future infrastructure projects will need to take key accessibility requirements into account. Moreover, improvements to

stations and to the customer experience will need to consider engagement with the public and specifically engagement with key equality groups. Finally, equality and accessibility priorities and objectives will need to be discussed and agreed in relation to the new franchise

14.0 Other implications – Not applicable