

# Enterprise Innovation and Networks Committee

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**Venue: Committee Room 3, Senedd, Cardiff Bay**

**Title: Arriva Trains Wales**

## **Introduction**

Arriva Trains Wales (ATW) has been invited to report to the committee on current operational performance against the franchise and the timetable for 2007 (effective from 10 December 2006).

This report will detail current performance by service group and compare this with past performance. It will also identify the reasons for the variability in performance and what needs to be done to see a sustained improvement in all areas. In order to put performance into context the report will cover some basic background to the awarding of the Wales and Borders franchise in December 2003 and finally it will look at issues which may impact on performance in the coming years.

The report will also contain a short summary of the December 2006 timetable changes as requested.

## **Background**

The Wales and Borders franchise was awarded to Arriva for commencement in December 2003 and is scheduled to run until 2018. It is important to understand the background to the awarding of this franchise in order to put into context the various issues which affect rail operation in Wales today.

Firstly, the franchise was awarded effectively as a 'do nothing' franchise. No consideration of growth was allowed in the bidding process and, indeed, bidders had to detail options to reduce subsidies by 10% and 20%. After Arriva was chosen as preferred bidder, negotiations took place to further reduce the submitted price. The end product of the bidding process was:-

The continuation of existing timetables based on summer and winter 2002

- The same level of operation for 15 years
- No fleet changes after the transfer of all class 175's to the franchise in December 2005 (now December 2006)
- The entering of lease agreements to retain all trains until 2018

Various 'aspirations' were included in the Arriva bid but the only contractual options included in the awarded franchise were:-

- The standard pattern timetable
- Ebbw Valley
- Valleys crowding relief proposals

In these cases the subsidy was contractualised in the event that the SRA (Strategic Rail Authority) elected to proceed. In the event it did so only in the case of SPT (and mainly because this was offered as a no cost option). The other two options were not introduced by the SRA but the Welsh Assembly Government has introduced a form of both schemes.

Since December 2003 all enhancements to the base franchise have been funded by the Welsh Assembly Government. Additional trains have been acquired and more are in the pipeline. However, it cannot be stressed too much that there are no rail services within this franchise which can be provided commercially.

The franchise does set difficult performance targets based on punctuality, reliability and customer satisfaction and much of this paper will comment on the achievement (or otherwise) of those targets. The most frequently monitored area of performance, both locally and nationally is the Public Performance Measure (PPM). This records the percentage of trains which arrive at their destinations within 5 minutes of scheduled time. The benchmark for ATW as a whole this year is 85.5%.

Clearly there are many factors which cause trains to be delayed, a large number of which are not within the train operator's control. Network Rail controls and maintains the railway infrastructure and this does fail from time to time. Other train operating companies (TOC's) use the same tracks and also fail, causing delays. In addition there are external factors, such as severe weather and vandalism, which are outside the control of any industry party. If we fail to achieve our targets we are financially penalised regardless of whether we are at fault. We receive additional payments if we exceed our punctuality targets.

## **Current Performance**

Below are listed several graphs which look at PPM performance in 2005 and 2006 by service group. This gives a useful view of performance by area and with each graph the reasons for the variability of performance are given. PPM is expressed in these graphs as the moving annual average – the trend – and therefore reduces seasonal variability.

## **Overall ATW Performance**

The graph below shows quite clearly that Arriva Trains Wales punctuality has been improving during 2006 following a year of flat performance in 2005. To take the moving annual average from around 80.5% at the beginning of this year to over 84% now has required consistent month by month performance above the current benchmark of 85.5%. For example September 2006 performance was 87.3% and October is expected to achieve around 90%.

The biggest overall reason for the improvement is the introduction of the Standard Pattern Timetable in December 2005. This was introduced at no additional cost in terms of subsidy (but at considerable internal cost as it required a significant investment in terms of drivers and conductors in particular).

There is, however, wide variability across Wales and there are specific reasons for this as detailed below.

## Key Issues

Some of the key factors in achieving the overall improvement are listed below:-

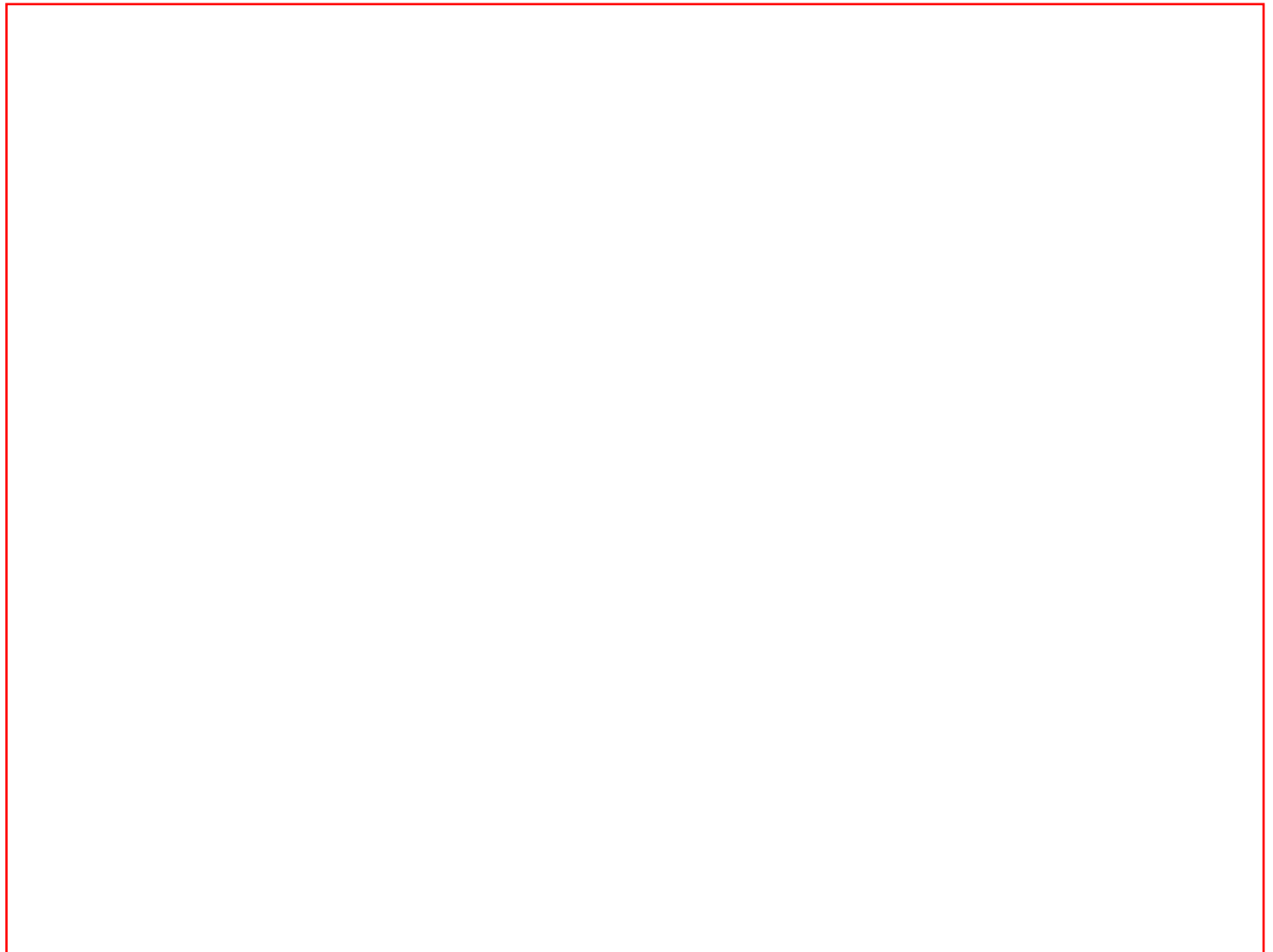
- In December 2004 ATW fully restructured it's Control organisation. This included separate control teams for the Valley Lines operations and Mainline operations.
- In December 2005 ATW introduced a dedicated maintenance control team.
- Closer working between Network Rail and ATW including 'joint' control of operations. This has been partially responsible for faster response times when things go wrong.
- Greater focus by Network Rail on PPM and their impact on it.
- June 2006 summer strengthening in conjunction with WAG reduced boarding delays.
- July 2006 Network Rail early running freight train policy to reduce delays to passenger trains.
- Additional platform staff at Cardiff Central to assist right time departure.
- Numerous improvements to ATW fleet to improve basic reliability.
- Focus on relieving congestion at Canton depot to reduce delayed starts.

## Mainline

'Mainline' relates to all operations outside of the Valley Lines. It can be seen that the absolute level of PPM moving annual average is lower than the overall total. There are various reasons for this and they are detailed below under the descriptions for each service group, but in general terms, the length and complexity of journeys make it more difficult to be as reliable as on the shorter high frequency journeys of the South Wales Valleys. The latter tend to be relatively self contained whereas on longer journeys such as Cardiff to Holyhead there are frequent interactions with key junctions and other train and freight operating companies. Also, on longer journeys, route infrastructure problems are more likely whether

caused by failures or restrictions on speed due to track quality issues.

The most important feature described below is the significant improvement year on year. The challenge is to accelerate the process of improvement and to do this it will be important to target actions on individual routes. Network Rail will be fully involved in this process.



## **Cambrian**

- Aberystwyth – Birmingham
- Machynlleth – Pwllheli
- Shrewsbury - Chester

The poorest performing service group and one that brings down the overall mainline average significantly. We are only now managing to get performance above equivalent 2005 levels. Key factors are:-

- Birmingham to Aberystwyth journey time is unrealistic in current circumstances.
- Single track sections mean that it is difficult to retime effectively due to the limited number of passing points.
- Poor track quality means regular speed restrictions.
- Congestion between Wolverhampton and Birmingham causes regular delays.

Delays cause frequent cancellations to ATW services between Wolverhampton and Birmingham. If these cancellations were not implemented even worse delays would be caused to subsequent services.

For a short period in June 2006 ATW fleet reliability created further problems.

Significant action has been taken to improve performance:-

- Fleet remedial action to improve reliability.
- Network Rail action to bring forward track repairs.
- Network Rail action to bring forward signalling and line speed improvements between Shrewsbury and Wolverhampton.
- Summer strengthening to 4 car operation has reduced overcrowding and reduced boarding times.

But many issues remain and fundamentally the basic timetable remains optimistic


## **Maesteg – Gloucester**



A steady improvement year on year. The major factor in the improved figures was the introduction of standard timings in December 2005 with realistic recovery times. Additional journeys were introduced to make the service more attractive.

### **South West and Central Wales**

- Swansea/Pembroke – Milford
- Swansea – Shrewsbury (HoW)
- Swansea - Cardiff



Limited but steady improvements. There has been a large increase in ‘external’ incidents (mainly infrastructure) affecting performance, particularly between Cardiff and Bridgend. In addition Swanline services between Cardiff and Swansea make too many movements onto and from Canton depot due to the lack of stabling facilities and this can create delays. Diagrams are being reviewed to secure an improvement in performance.

The general level of reliability is impacted by the single track section at Gowerton in particular and other single track sections in west Wales in general. The long term solution for a step change in reliability must be the removal of the Gowerton bottleneck.

The Heart of Wales line is a long route, nearly all of it single track. It is operated by single engined, single car class 153 units. These units are inherently less reliable than 2 car (2 engined) units and, unfortunately, any failure along line of route has a major impact on other journeys. Action is being taken to try and dedicate better performing 153 vehicles to the line but the use of 153’s will always result in less than ideal reliability.

## **The Marches**

- Manchester – Milford Haven
- Holyhead – Cardiff
- Crewe – Shrewsbury locals

Mainly long distance routes with many interfaces with other routes and operators, particularly at Crewe, Manchester and the South Wales main line. The flattening out of the improvement has been largely caused by Network Rail infrastructure problems north of Crewe, particularly following the reopening of the Manchester south route after re-signalling work earlier this year.

In addition there have been punitive temporary speed restrictions between Crewe and Shrewsbury. Whilst Network Rail is working to clear these restrictions this has caused major timekeeping problems.


ATW also suffered from driver shortages earlier in the year.

We expect the improvement in punctuality to continue as a result of reduced speed restrictions, better staffing and increased use of class 175 units. However, the complexity of the route will always cause a certain degree of difficulty in achieving the required punctuality level. It should be noted that all other train operating companies with inter city operations like these have a PPM benchmark for on-time running up to 10 minutes rather than the 4 minutes 59 seconds which apply to ATW.

### **North Wales Branches**

- Wrexham – Bidston
- Llandudno – Blaenau Ffestiniog





Both services involve the use of single car class 153 units which, as referred to earlier, are prone to failure more frequently than is acceptable. Reliability has dipped in recent weeks and remedial action is being taken. In addition, the Conwy Valley route is mainly single track and this, in itself, causes basic reliability problems.

The Wrexham to Bidston route has a particularly onerous timetable with unrealistic turn round times at each end of the route (around 3 minutes). This timetable was in place before franchise award and no additional resources were permitted to give the necessary boost to reliability. If trains on the route are delayed, early termination of journeys takes place in order to return following journeys to on time operation. ATW does not like inconveniencing passengers in this way but, in the current circumstances, this is the most effective way of balancing punctuality and the needs of all customers.

The Welsh Assembly Government has recently agreed to the introduction of class 150 units to this route which will improve train reliability and should lead to better punctuality figures. However, as long as the total train resources dedicated to the route remain at 2 units, it will be difficult to provide the level of punctuality required by customers.

Finally, the Wrexham to Bidston line suffers badly during the autumn leaf fall season. Efforts are being made this year, in conjunction with Network Rail, to achieve a significant improvement on 2005.

## **North Wales Inter-Urban**

- North Wales – Manchester

- Crewe – Holyhead



Good performance with continuing improvement. The route has benefited from the frequent use of class 175 units, which are only seven years old and are achieving levels of reliability far ahead of our older units. The route has also benefited from relatively few infrastructure problems in the recent past. Although there will be increased engineering possessions on the line in 2007, ATW expects recent improvements to be maintained.

**Valley Lines**

There has been a dramatic improvement in punctuality since the introduction of SPT.

Various factors account for this:-

- WAG strengthening on key peak hour journeys has improved boarding times.
- Additional class 150 vehicles with more doors better spaced and more seats assisting passenger boarding and alighting thus reducing station dwell times.
- Increased frequencies on several routes or sections of routes.
- Specific control focus.
- Better train crew organisation with single relieving point at Cardiff Central.
- Penarth track relaying.
- Network Rail response times.
- Reduced Canton delays.
- Improved Fleet reliability.

## **Key Issues For The Future**

Comments on current performance are important but it is even more important to take a strategic view and look ahead to see what problems and opportunities may present themselves. There are undoubtedly some success stories concerning the development of rail travel in Wales and great opportunities exist. There are, of course, many challenges to be faced also.

## **Growth and Service Development**

The biggest success in recent years has been the significant increase in demand for rail travel in Wales. Passenger numbers have grown by approximately 25% since the start of the franchise and there are no signs of a slow down in the pace of growth. The Welsh Assembly Government has funded additional trains to strengthen peak hour services around Cardiff, the reopening of the Vale of Glamorgan line and the summer strengthening of trains on the Cambrian and Heart of Wales lines. Plans are in place to reopen the Ebbw Valley line to passengers in 2007.

All of this success, though, has been achieved against a background of unsuitable infrastructure and a basic franchise agreement which assumes no additional trains before the end of the franchise in 2018.

A large number of single track sections restrict the ability to increase frequencies and platform lengths mitigate against the creation of longer trains. There are plans to extend platform lengths on certain routes during 2007 and there are long term aspirations to reduce the amount of single track working. With increased rail capacity the supply of additional trains is also an issue with second hand units difficult to procure and new trains with a two year lead time even if funding can be sourced. As no commercial business case can be made for incremental investment, meeting the increased demand must be funded by public spending or by significantly increased passenger fares. Clearly neither solution is without its drawbacks.

## **Fleet**

As indicated earlier, the Wales and Borders franchise was provided with a relatively old fleet with the expectation that this would not be renewed during the life of the franchise. Whilst the fleet is fit for purpose and can be maintained until 2018, it does suffer in comparison with other franchises where large investment has taken place. ATW struggled during the first two years of the franchise to achieve satisfactory reliability from the old fleet and despite investing significant sums to improve the position it is only recently that availability has started to reach levels demanded by our customers.

One frequent cause for complaint has been the standard of internal cleaning on some of our oldest units and the general condition of toilets. Both of these issues have been addressed and improvements are in place but further improvements are still required, particularly on our class 158 fleet.

Public perceptions of the ATW fleet are of concern. Even with investment in refurbishment and professional cleaning of units the underlying age of units gives, in some cases, the impression that trains are either poorly maintained or poorly cleaned. Whilst this impression is often wrong, public perception is very important and a great deal of effort is needed to ensure that rail customers notice the improvements that are being made.

## **Stations and Other Infrastructure Investments**

The only franchise requirement on property investment was to spend £400k on car park improvements. As indicated earlier the franchise agreement imposes limits on capital expenditure but, despite this, ATW has invested significantly in property and station infrastructure improvement projects since the commencement of the franchise. Around £10m has been spent or is in the pipeline for investment in ticket gates, station ticket machines, new ticket issuing equipment, office accommodation, rolling stock refurbishment, a wheel lathe, Chester station and Machynlleth depot.

The Welsh Assembly Government has invested in North Wales customer information systems and CCTV, on train CCTV as well as service enhancements over and above the original franchise specification.

## **Revenue Collection**

Fares avoidance is a serious problem on railways throughout Europe and continues to be an important issue within Wales. Investments in ticket gates at major stations have reduced this problem significantly but gates have to be manned and the whole process of collecting revenue is becoming expensive. Whilst, a net benefit can be gained at large stations with a high throughput of passengers it is less easy on other parts of the network. New, innovative, solutions are being looked at for the future.

## **Social Problems**

Whilst travel by rail has been generally increasing in Wales in recent years, travel in certain areas and at certain times of the day or week remains problematic for many passengers. Alcohol related disturbances have become more frequent and, in some areas, travelling without paying is seen as a right by some members of the community. The fear associated with travelling at times when such passengers are expected to be on trains is driving away those passengers who want to travel and would travel if the environment was perceived to be safe.

In such circumstances both staff and passengers must be protected but it is a major task given the sheer volume of daily services operated within the franchise. Arriva, WAG and British Transport Police are funding additional Police Community Service Officers and Arriva has, in recent months, provided additional security on some journeys. Nevertheless, problems do still occur and all parties in the rail industry and in local communities must work together even more if this situation is to be controlled.

## **Network Rail**

The reliability of the infrastructure has gradually improved over the last 18 months, although over the last three months the trend has been less positive, particularly with heat related failures in the summer. ATW have a good working relationship with Network Rail and each year joint plans are agreed in order to try and improve performance. A Joint Performance Improvement Plan is produced (JPIP) which describes these actions.

An example of this joint approach is the Golden Route Strategy where the busy section of track from Cogan through to Cathays was identified as being so critical to operations that it required a higher focus from both ATW and Network Rail and a zero tolerance approach to failure. This has been successful and fewer infrastructure failures on this critical section have been seen since the actions were taken. Improvements on the Cambrian route, ranging from line speed improvements to timetable changes and new operating procedures have also been jointly implemented. Performance on this line has improved significantly as a result of these actions.

The infrastructure on many parts of the route network is approaching the end of its life and much of it is due for renewal shortly. Network Rail have been actively encouraged to forecast where problems with old infrastructure are likely to occur, so that action can be taken before it affects train services. An example of this was the Penarth line where Network Rail was persuaded to bring forward a renewal programme following a period of unreliability and a one week closure of the line to allow the renewal to take place

was agreed. Since the renewal no further failures have taken place.

It has not been unusual to see speed restrictions imposed at short notice on the Cambrian route due to the poor state of the infrastructure and this has been one factor in making the timetable difficult to deliver. Although there has been progress in getting these restrictions removed, further similar restrictions could be imposed at short notice and this gives uncertainty regarding future performance on this route.

Network Rail is proposing to undertake an increased level of track renewal over the coming years, which means that there will be more line closures at weekends. ATW is concerned about the affect that this will have on passengers and is discussing with Network Rail its renewal programme to see if the potential impact on passengers can be minimised.

The operating and regulating of the rail network by Network Rail signallers has a big impact on ATW's performance. There has recently been an increase in knock-on delays from freight trains and Network Rail's adherence to national guidelines regarding regulation is being monitored. It should also be noted that the wider drive for more freight to be carried by rail may conflict with the desire for more passenger services and punctuality. Freight services are both generally slower and use a greater amount of the available track capacity.

## **December 2006 Timetable Changes**

The Standard Pattern timetable, introduced last December has been successful in delivering improved performance and providing new and easy journey opportunities for passengers. ATW will therefore only be making minor changes to its timetable in December 2006.

Most of the changes are either in response to suggestions made by passengers and rail user groups, or to further improve performance. For example there will be some minor re-timings to northbound evening services from Newport to make the connections better for passengers travelling from London to places such as Cwmbran, Abergavenny and Hereford. ATW will also be adding some extra stops where we have identified increased local demand. For example Gowerton will see some additional request stops. From summer next year an hourly Ebbw Vale to Cardiff service will be added to the timetable.

## **Summary**

This paper has attempted to describe the progress which has been made in improving the punctuality and reliability of train services in Wales since the introduction of the Wales and Borders franchise, and particularly since the introduction of the Standard Pattern Timetable in December 2005. It also focuses on a selection of the many issues likely to impact on the railway service in the coming years.

Whilst operational performance has improved in recent months there is no doubt that the most important issue for the future is the rate of growth of patronage and how that demand can be managed. Passenger expectations are that they should be provided with a seat at all times in trains which are of a high standard and that they should be charged a reasonable price for the service they receive. Clearly it will be difficult to meet these aspirations as expansion of capacity has obvious funding problems and even if funding is available supply may still be a problem.

Despite the difficulties, ATW is confident that progress can be made, especially if all stakeholders work

together.