Additional Written evidence submitted by Northern (RTC0028)

1. Introduction

1.1 Following the recent Transport Select Committee hearing on the May 2018 timetable changes, Northern is writing to provide further information in response to questions which were raised during the session on Monday 18th June.

1.2 We welcomed the opportunity to present oral evidence to the Committee on these important issues and we would again like to apologise unreservedly for the service that some customers have received in affected areas following the May 2018 timetable changes.

1.3 Our customers always come first, and we have worked together with partners to fix these issues as quickly as possible. While the introduction of an interim timetable has helped to provide certainty and stabilise the situation, we are determined to deliver a full service as soon as possible, including those additional services that formed part of the May 2018 timetable.

1.4 We welcome both the Transport Select Committee and Glaister inquiries to identify lessons to inform future timetabling changes. Below we provide the additional information requested by the Committee:

2. Measures taken by Northern to recover and stabilise performance following the implementation of the May 2018 timetable

2.1 To deliver a more robust and stable service for customers, we introduced an interim timetable effective from 4th June. This reduced the number of scheduled services in our new May 2018 timetable by 6% through temporarily removing 165 services daily. Although affecting specific locations, mainly in the North West, this short-term timetable still features more services than Northern were operating prior to the introduction of the May 2018 timetable. Crucially, this interim timetable enables us to focus on and complete the essential and complex driver training requirements necessary to operate our May 2018 timetable in full, whilst also providing customers with greater certainty when planning their journeys during this period.

2.2 Following the introduction of the interim timetable the number of cancellations has now reduced significantly. From the start of the May 2018 timetable on 20th May to 3rd June, the day before the start of the interim timetable, 11% of Northern services were being cancelled. From the start of the interim timetable on 4th June to 25th June, this percentage has now stabilised at 3.15%, and is lower than the moving annual average of 4.1% for all TOCs across England and Wales.

2.3 We are closely managing and monitoring the progress of 450+ drivers through the training programme created by the delay to the North West infrastructure project. We anticipate, predicated on the successful and on-time completion of the engineering work still taking place at Liverpool Lime Street, that sufficient numbers of drivers will be trained on the required routes and rolling stock to review the situation by 29th July and reintroduce our full May 2018 timetable at the soonest possible opportunity.
2.4 We are also continuing to work closely with Network Rail to refine our timetable plan to further improve reliability and resilience. To this aim, we have daily dialogue with Network Rail focused on improving performance and to track progress against resolving known and emerging issues.

2.5 The very public performance problems of recent months contrast with a good record of consistent delivery from the start of the franchise in April 2016 until the end of 2017; during this period Northern cancelled 1.7% of planned services. During this same period only three other train operators achieved a lower cancellation rate.

2.6 Despite now stabilising the number of cancellations, we remain determined to further minimise all forms of disruption to our network. Cancellations are always a last resort and we put considerable effort into avoiding them whenever possible. However, like all train operators on the network, we are subject to events outside of our control which result in cancellations (e.g. in response to severe weather or infrastructure failures). Such cancellations are always taken with the overriding objective of minimising the overall customer impact of any delay, i.e. when there needs to be a ‘fire break’ in services which stops delays being passed on to multiple services.

3. Communications by Northern relating to the May 2018 timetable

3.1 Under the circumstances that arose prior to and following the implementation of the May 2018 timetable, we have worked to the best of our ability to provide as much detailed information to customers as possible. As mentioned at the Hearing, the scale of the performance risk did not start to become clear until the completion of the driver rosters. Due to the knock-on impact of the compressed timescales available for rewriting the timetable after the announcement of the delay to the Bolton Corridor electrification on 5th January, the rosters were not completed until a matter of days before the timetable change.

3.2 Once we were aware of likely disruption that would occur whilst Northern drivers continued to complete their training, we formally briefed our stakeholders across the North on performance risks. As part of this, we highlighted the impacts of the condensed timescales available to finalise the May 2018 timetable and the expectation of disruption to customers, highlighting that it could also occur at very short-notice over the coming days.

3.3 To ensure that our customers were aware of the disruption and service changes, we undertook media briefings through Richard Allan (Deputy Managing Director) during w/c 21 May, and then from w/c 4 June with David Brown (Managing Director) and Sharon Keith (Regional Director, West). In all interviews, we apologised for the disruption and explained what was happening. Our media briefings took place across BBC, ITV, national and regional TV and radio. There was also extensive media engagement with the regional press. We have continued to keep customers up to date throughout the disruption via social media and our website.

3.4 We also want to correct some inaccurate commentary and publicity about customers being blocked who complain about us on social media. We welcome engagement with our customers through social media. It is a powerful channel for keeping customers informed about services and disruption and secures valuable feedback.
3.5 We have over 98,000 followers on twitter, and we would only ever block someone as a very last resort. We have a social media policy which rightly reserves the right to block individuals if they are threatening or abusive: we have a duty to protect our staff (who have to handle the account). The other circumstance in which we have blocked people is when they use social medial channels to create spam. We have blocked approximately 0.1% of users. We would of course investigate specific cases if any individual believes that they have been wrongly blocked.

4. Proposed compensation for customers affected by the disruption to Northern services

4.1 It is right that customers who have been inconvenienced are appropriately compensated. We already offer our Delay Repay scheme to compensate customers for trains that are late or cancelled and as a result get to their destination station more than 30 minutes later than scheduled. This right is unchanged, and we encourage affected customers to claim this compensation.

4.2 The Secretary of State has also been clear that customers on the lines which have been severely affected by these issues need to receive additional compensation over and above that offered by Delay Repay and that a package, funded by industry, will be made available. We have developed a scheme in conjunction with DfT that is now with the TfN Board for consideration at its meeting on 28th June. The provisional scheme details are that customers who buy weekly, monthly or annual tickets on affected Northern and TPE routes will be eligible to claim up to four weeks’ compensation.

4.3 As part of the proposed scheme, the industry would also provide financial support to TfN to deal with other costs that have arisen from the disruption, including a marketing campaign on the Lakes line. The TfN Board is due to consider the proposals at its next meeting on 28th June and we hope to be able to confirm the specific mechanisms for customers to claim compensation shortly thereafter.

5. December 2018 timetable implementation

5.1 The industry is applying all its resource and capabilities to continue to recover and learn from the compressed planning timescales involved in finalising the May 2018 timetable. The Secretary of State has already called for a gradualist approach to the next round of timetable changes, so that all partners have sufficient time to prepare - we support such an approach.

5.2 In light of the unacceptable levels of disruption that occurred at the start of the May 2018 timetable period, the industry is presently considering a programme approach to evaluating options regarding the December 2018 timetable. Such discussions are ongoing.

5.3 Our December 2018 timetable bid assumes electrification of the Bolton Corridor in line with the current programme supplied by Network Rail. This will support a cascade of diesel units elsewhere across the North to resource planned service uplifts. This also requires the completion by Network Rail of the necessary platform gauging and lengthening to enable the December 2018 timetable to be successfully introduced. Learning lessons from the recent experience of May 2018, we have already expressed to Network Rail the importance of making a ‘Go/No-Go’ decision at an early enough stage in the planning process, should Network Rail’s programme change beyond its current assumptions.
6. **Financial consequences for cancelling train services**

6.1 We never cancel train services for financial reasons, and as we made clear in the Hearing we do not benefit financially by choosing to cancel any of our services.

6.2 We are subject to two separate, but co-existing, performance regimes in respect of cancellations; one with our client (Rail North Partnership) and another with Network Rail. Both of these regimes penalise us financially for cancelling services where we are the cause.

6.3 We are therefore grateful for this opportunity to set the record straight with regards to some of the inaccurate commentary that suggests we benefit financially by cancelling services. When we cancel a service in circumstances where we are at fault, we bear the cost of the lost revenue for that service. We are also penalised under both of our performance regimes for cancellations where we are the cause. Additionally, our business operates with a high level of fixed costs that are necessary to ensure that we can run our train services efficiently and safely.

6.4 Cancelling services also discourages customers from travelling by train in the future. Taking into account both of our performance regimes, the high level of our fixed operating costs, and the need to attract and retain customers, we are therefore very clearly incentivised not to cancel services where we would be at fault.

6.5 Due to the co-existing nature of our independent performance regimes (which are calculated on different periodic bases), together with the difficulty of quantifying lost revenue which we do not receive when a service is cancelled, a cancellation has no set financial value. It is therefore not possible to accurately calculate the comprehensive financial impact of a single specific cancellation at the time it happens, let alone a larger group.

6.6 Further, as our performance regimes operate on different periodic bases it is only possible to fully quantify and understand the effect of cancellations under both regimes on an annual basis and any attempt to do so now would require extensive forecasting. Working on this basis would not provide accurate information to the Committee about the true underlying cost of the relevant cancelled services. We would however be happy to reconsider this issue once all the relevant periodic data has been compiled and processed. However, the Committee should be left in no doubt that we do not benefit financially by unilaterally cancelling any of our services.

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