



House of Commons
Transport Committee

Rail timetable changes: Government and Office of Rail and Road Responses to the Committee's Seventh Report

**Seventh Special Report of
Session 2017–19**

*Ordered by the House of Commons
to be printed 13 February 2019*

Transport Committee

The Transport Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department for Transport and its associated public bodies.

Current membership

[Lilian Greenwood MP](#) (*Labour, Nottingham South*) (Chair)

[Jack Brereton MP](#) (*Conservative, Stoke-on-Trent South*)

[Ruth Cadbury MP](#) (*Labour, Brentwood and Isleworth*)

[Robert Courts MP](#) (*Conservative, Witney*)

[Ronnie Cowan MP](#) (*Scottish National Party, Inverclyde*)

[Steve Double MP](#) (*Conservative, St Austell and Newquay*)

[Paul Girvan MP](#) (*Democratic Unionist Party, South Antrim*)

[Huw Merriman MP](#) (*Conservative, Bexhill and Battle*)

[Grahame Morris MP](#) (*Labour, Easington*)

[Graham Stringer MP](#) (*Labour, Blackley and Broughton*)

[Daniel Zeichner MP](#) (*Labour, Cambridge*)

Powers

The committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No 152. These are available on the internet via www.parliament.uk.

Publication

Committee reports are published on the Committee's website at www.parliament.uk/transcom and in print by Order of the House.

Evidence relating to this report is published on the [inquiry publications page](#) of the Committee's website.

Committee staff

The current staff of the Committee are Gordon Clarke (Committee Clerk), Ed Faulkner (Second Clerk), Louise Butcher (Senior Committee Specialist), Nerys Davies (Committee Specialist), Deborah Courtney (Senior Committee Assistant), Michelle Owens, (Committee Assistant), Estelle Currie (Senior Media Officer) and Oliver Florence (Media Officer).

Contacts

All correspondence should be addressed to the Clerk of the Transport Committee, House of Commons, London SW1A 0AA. The telephone number for general enquiries is 020 7219 3266; the Committee's email address is transcom@parliament.uk.

Seventh Special Report

The Transport Committee published its Seventh Report of Session 2017–19, [Rail Timetable Changes](#), as HC 1163, on 4 December 2018. The Government response was received on 30 January 2019, and the Office of Rail and Road response was received on 4 February 2019. Both responses are appended to this report.

The Committee's recommendations are in bold text, followed by the response from the Government (Appendix 1) and Office of Rail and Road (Appendix 2).

Appendix 1: Government Response

The Department would like to thank the Transport Select Committee for their inquiry into the rail timetable changes: May 2018 and welcomes the Committee's report. The Department's responses are set out below.

Why did the system fail?

Recommendation 1 (paras 62–65)

It is incumbent on all parties to accept in full the ORR's, and our, findings and work together quickly to learn the lessons and restore trust in the industry. They must not continue to pass the buck.

The Government agrees with this recommendation in respect of the findings of the ORR's Timetabling Inquiry. We have welcomed the publication of the ORR's Interim and Final Reports. The former sets out a thorough and accurate account of the factors that led to unacceptable disruption to passengers in May 2018, while the latter sets out a credible set of actions to be taken by parties across Government and industry to ensure that these failings are not repeated and that passengers get the full benefit of the Government's major investment in improving the railway.

We have begun the work to implement the findings of the ORR's work which falls to Government and we will set out in more detail on how we will do this when we formally respond to ORR's final report early in the year. We look to Network Rail and the wider industry to act swiftly on implementing those findings that fall within their remit.

The Government agrees in principle with this recommendation in respect of the findings of the ORR's Timetable Inquiry where the full implementation of any of the ORR's findings requires significant changes to industry structures to ensure they are working to the benefit of users. In these instances, we think it is right that the Rail Review — which is tasked with a root and branch examination of the industry's structure — considers them as part of its work. But we will also take action to bring forward interim measures where appropriate to protect the interests of passengers. We will set these out when we respond to the ORR.

What happens next?

Recommendation 2 (para 69)

The Secretary of State is responsible for putting in place suitable governance and decision-making structures for the rail industry. A key lesson of the timetabling crisis is that an independent system operator needs to take charge. We are content, in the short term, for that person to be the Chief Executive of Network Rail, but if he is to assume responsibility the Secretary of State must make clear the extent of Mr Haines' decision-making power over whether and when the next timetable change goes ahead.

The Government agrees that it is essential the risks around the implementation of new timetables are managed proactively through appropriate governance and decision-making structures. We want to ensure that as many passengers as possible continue to see the benefits of our long-term investment in the railway, which responds to the increasing demand for rail services (doubling from 735 million in 1994–5 to 1.73 billion in 2016–17). We have been clear that Network Rail is responsible for the production and publication of timetables, and that the timetable assurance must be robust and fit for purpose.

The Government also agrees that roles need to be clarified and further improvements to the process need to be made. Accordingly, we are committed to working with Network Rail and the ORR to improve the timetabling system, taking into account the recommendations of the ORR's review into the May 2018 timetabling issues.

The industry is already addressing some of the issues that the ORR has identified. For instance, the December 2018 timetable changes were scaled back in favour of a phased approach. The December 2018 change was largely a May 2018 rollover with some performance fixes to further improve reliability. The timetable was implemented without any significant problems.

The Government considers the role of the System Operator to be essential but notes that the function is relatively new and its systems and processes are developing as lessons are learnt.

The Government welcomes the findings of this report and is committed to working with the industry to ensure disruption similar to what passengers experienced in May 2018 never happens again.

Recommendation 3 (para 70)

We await the ORR's final recommendations, but our clear view is that the national rail timetabling process requires genuinely independent oversight, following accepted principles of professional project management, including the appointment of an independent Project Sponsor or Senior Responsible Owner for the whole national timetabling project. We believe this role would need to be located outside of Network Rail, so that it is more effectively insulated from commercial and political pressures.

The Government partly agrees with this recommendation. Network Rail is accountable for delivery of the national rail timetable and this function is delivered by the System Operator (SO). The Programme Management Office (PMO) is a new function that has been set up to complement the SO by providing a project environment to manage the

SO's delivery of the timetable. The PMO works with operators to ensure that timetable proposals submitted to Network Rail are deliverable and that system-wide risks and interdependencies are properly taken into account. The PMO's process is further supported by independent industry experts to provide a further level of assurance on risk areas. Ultimate independent oversight is provided by the ORR as industry regulator.

The Government agrees that further improvements to the process need to be made and is committed to working with Network Rail and the ORR to implement the recommendations of the ORR's review into the May 2018 timetabling issues, which include reform of the Network Code that underpins the timetable development process.

As part of the Final Determination for CP6, the Network Rail System Operator has been funded to deliver significant enhancements to its capability. This includes provision for recruiting and retaining more expert planners as well as upgrading technology to provide higher quality and more timely advice to decision-makers.

Recommendation 4 (para 81)

Putting in place adequate contingency plans to assist disabled people if timetable changes do not go plan must now be a central part of train operating companies' timetable planning processes. We recommend the Office of Rail and Road take a proactive approach to ensuring such plans are in place and, in response to this Report, it should set out how it intends to do so.

The Government agrees with this recommendation. As a condition of their operating licence, train companies must have a Disabled People's Protection Policy (DPPP) in place which the ORR has responsibility for approving. The ORR is currently reviewing the Guidance on DPPPs which includes a public consultation. This review offers an opportunity to strengthen the provisions for contingency planning to assist disabled people in times of disruption. We would welcome the ORR giving particular focus to working with train operating companies (TOCs) to identify and share good practice across the rail industry.

Recommendation 5 (para 82)

Our judgement is that the ORR can no longer rely solely on the publication of data, and the reputational effects on train operating companies' behaviour, to ensure compliance and the provision of assistance that disabled rail users need and deserve. The Regulator must prove its effectiveness in this policy area, including by acting swiftly to implement the outcome of its DPPP consultation and stepping up its enforcement activity, including using its powers to levy fines on train operating companies.

The Government agrees with this recommendation. In July 2017, the Secretary of State issued Guidance to the Office of Rail and Road setting out his wish for the ORR to use its powers to hold the industry to account for its obligations to passengers under licences and wider consumer law. As a result of the issues with the May timetable change, the ORR is currently formally investigating two TOCs for the information that was provided to passengers to enable them to plan and make their journeys with a reasonable degree of assurance, specifically acknowledging issues for disabled passengers. These formal investigations have the potential to result in enforcement action such as a financial penalty.

In addition, the Government would welcome the ORR elaborating on its existing enforcement policy in respect of compliance and enforcement specific to key consumer protection obligations including DPPPs, as set out in operator licence conditions.

This will sit alongside a number of measures being introduced by the Government to improve access to the rail network for disabled people, as set out in the Inclusive Transport Strategy¹ published in July 2018. These include requirements on future franchise holders to improve the assistance provided to disabled passengers and, either through franchising or through DPPPs following the ORR consultation, to provide compensation where booked assistance is not delivered.

Recommendation 6 (para 88)

We urge the industry and Government to consider all options to keep any regulated fares increase in 2019 to a minimum, particularly on parts of the network worst affected by the timetabling crisis. We further recommended that 2018 Northern, TransPennine Express, Thameslink and Great Northern season ticket holders receive a discount, equivalent to any increase announced in December 2018, on renewed season tickets in 2019.

The Government is clear that the disruption suffered by passengers across the rail network following the May 2018 timetable change was completely unacceptable. The large number of cancellations, delays and long gaps between services meant that it was absolutely right for passengers to be compensated for the disruption they experienced.

Government therefore worked with Transport for the North, Northern, TransPennine Express (TPE) and Govia Thameslink Railway (GTR) to set up and promote a special compensation scheme to compensate the most affected passengers with a payment equivalent to up to four weeks' worth of season tickets and equivalent compensation for regular passengers who travelled three days or more in at least one week during the period of disruption. Over 14,000 claims from season and non-season ticket holders travelling on Northern and TransPennine Express services were submitted and over £1 million paid out in compensation. The GTR scheme has so far paid out around £17 million to over 72,000 passengers.

These special compensation schemes were in addition to the usual Delay Repay scheme that Government encouraged passengers to claim if they experienced eligible delays or cancellations following the introduction of new timetables in May 2018. At the time of this disruption, Northern passengers whose journeys were delayed were eligible to claim Delay Repay compensation worth 50% of the ticket price for a delay of 30 minutes or more and 100% of the single ticket price for a delay of one hour or more.

The previous Rail Minister, Jo Johnson, subsequently announced that Delay Repay 15 would be introduced on the Northern franchise from December 2018. This came into effect on Sunday 16 December and now entitles Northern passengers whose journeys are disrupted by 15–29 minutes to claim compensation worth 25% of the single ticket price.

The Government agrees in principle that the industry and Government should consider all options to keep any regulated fares increase to a minimum. The Government completely

1 <https://www.gov.uk/government/publications/inclusive-transport-strategy>

recognises that the cost of rail fares impacts people's budgets and day-to-day lives. That is why we have ensured, since 2014, regulated rail fares rise by no more than inflation. We of course continue to monitor how rail fares and average earnings change, and the Secretary of State has made clear his ambition to move away from using the Retail Prices Index for the annual fares increase, and has since written to the rail industry and unions to seek their support. This is important because industry has a role to play in reducing costs and generating savings which could be passed on to passengers.

The Government disagrees that Northern, TransPennine Express (TPE), Thameslink and Great Northern 2018 season ticket holders receive a discount, equivalent to any increase announced in December 2018, on renewed season tickets in 2019. Any such changes to fares increases require commercial negotiations with TOCs, including compensation for revenue foregone and a formal variation to the franchise agreement. Any fares freeze, even for one year, would have a long-term, ongoing, cumulative impact on franchise payments and require taxpayer contributions to increase in order to offset this impact.

Further to this, Government believes that compensation for poor service should be treated separately from general changes to fares. The Government responded to the disruption on GTR, Northern and TPE by taking immediate action to work with the rail industry to ensure that special compensation packages for passengers who faced disruption were introduced. These generous schemes provided the equivalent of up to 8% of the cost of an annual season ticket for those most severely impacted. Compared to a hypothetical fares freeze this is worth more to affected passengers if they claimed for more than a week's special compensation. This compensation was also targeted at those most impacted by the disruption unlike a general fares freeze.

The Rail Review, led by Keith Williams, is considering how passengers' interests can be prioritised in a reformed industry structure and commercial model for passenger services. As part of this work, the Review is looking at how a future fares system could better meet passenger needs and deliver value for money for both taxpayers and passengers.

Recommendation 7 (para 107–109)

We acknowledge that the Government acted reasonably quickly to ensure train operating companies put in place additional compensation schemes over and above existing Delay Repay arrangements. We do not, however, accept the Secretary of State’s assertion that the additional schemes have ensured passengers were compensated straightforwardly and quickly. The schemes have complicated eligibility rules and place the onus on passengers to make a claim through relatively complex processes. Non-season ticket holders were not able to apply to Thameslink’s and Great Northern’s schemes until 30 November, more than six months after 20 May.

Although the special compensation schemes were complicated for the rail industry to design, season ticket holders have been able to use the claim processes provided. On GTR, for example, 84% of season ticket holders who were known to the TOC and sent information by email about the claims process, successfully claimed the special compensation. According to a survey by Transport Focus, 89% of passengers who had used Thameslink and Great Northern services during the period of disruption following the May timetable changes had at least heard of the special compensation scheme (www.transportfocus.org.uk/news-events-media/news/watchdog-urges-thameslink-great-northern-passengers-claim-compensation/).

A similar survey by Transport Focus of the special compensation for season ticket holders on Northern and TPE found that amongst eligible passengers, 87% had heard about the special compensation. The majority of these passengers who believed they were entitled to compensation had already made a claim; and the majority of those who had made a claim said they found the compensation process easy (<https://www.transportfocus.org.uk/research-publications/publications/additional-compensation-offered-northern-transpennine-express-season-ticket-holders-transport-user-panel-survey/>).

The special compensation scheme for regular travellers who were non-season ticket holders was completely novel in its design, which is why this was introduced after the scheme for season ticket holders.

While it may be the case that it would be theoretically possible for the worst-affected passengers to claim around 10% of the cost of their annual season ticket, this would require them to navigate the additional compensation scheme and make individual claims for each delayed service. In the chaos of this summer, when at points it was not clear that significant portions of the railway were operating to any timetable at all, this would have been virtually impossible. Even if passengers were able to make the claims, in many cases the level of reimbursement would be insufficient to compensate for additional costs incurred, such as for taxis and additional childcare, and unmonetised costs to working and family lives.

The Government encouraged passengers who were disrupted on GTR, Northern and TPE following the introduction of new timetables in May 2018 to apply for Delay Repay compensation in the normal way in addition to the special compensation scheme – and many did so successfully. For example, GTR proactively contacted season ticket holders whose information they held to inform them of the special compensation scheme, with a pre-populated claim form. In each case, the eligible delay was measured relative to the arrival time in the timetable.

The events of this year demonstrate an overwhelming case for automated, or automatic, compensation schemes. We therefore welcome the Government’s announcement of stronger obligations on future train operating companies within the franchising system, including the provision of simple, one-click automated schemes enabled via smart card registration or smart phone apps. The key to this is successful roll out of smart ticketing technology across the network, which the Government has committed to achieve by the end of 2018.

The Government agrees that compensation schemes should use automated processes to expedite the claims process and the processing of those claims. The introduction of simple and speedy “one-click” automated claims systems, available via smartphones and smartcard registration, forms part of stronger obligations for train operators under future DfT-awarded franchises, ensuring that passengers are more aware than ever of their right to compensation. An advantage of the “one click” claims process over automatic compensation schemes is that it involves a check to ensure that the person claiming the compensation experienced the delay, thereby avoiding payments being made to people who weren’t in fact affected.

The Government must now set a measurable target for implementation of “one click” automated compensation schemes on commuter rail routes. These schemes must be written into contracts as they are re-let. Those who suffered most in the timetabling crisis should also benefit from automated compensation schemes as soon as possible.

As announced on 1 October 2018, the Government will mandate new DfT franchises to introduce a simple “one click” automated claims system, available via smartphones and smartcard registration, to make claiming compensation easier for customers. The introduction of this system forms part of stronger obligations for future train operators under DfT-awarded franchises, ensuring that passengers are more aware than ever of their right to compensation.

Passengers who were disrupted on GTR, Northern and TPE following the introduction of new timetables in May 2018 were encouraged by Government to apply for Delay Repay compensation in the normal way in addition to the special compensation scheme – and many were successful in doing so. In each case, the eligible delay was measured relative to the arrival time in the timetable.

We recommend the Government ensure, through franchise renegotiations if necessary, that smart automated compensation schemes are piloted are on Govia Thameslink Railway, Northern and TransPennine Express commuter routes by the end of 2019.

The Government is currently working to encourage automated or “one click” compensation across all English franchisees, taking into consideration the technology in place in each and the requirements of the relevant franchise agreement — a number of which already require significant automation of compensation processes. GTR, Northern and TPE have made good progress in relation to one-click compensation. GTR introduced “one click” compensation for smartcard holders in summer 2017. Northern provides automatic compensation for holders of advance tickets that are purchased from the operator and is planning a similar scheme for season ticket holders; and TPE is also currently developing comparable schemes.

Meaningful consultation and proper impact assessment

Recommendation 8 (para 127)

A key lesson from the May 2018 timetable change is that a significant proportion of rail users do not feel the industry is listening to them and taking proper account of their needs. If trust in the railway is to be restored the rail industry must substantially improve its engagement with passengers, including through ongoing and meaningful consultation on proposed service changes. Good practice, such as Govia Thameslink Railway's active engagement with Rail User Groups on the design of some its services, exists but the broader approach to passenger consultation is patchy at best and perfunctory at worse. The Department for Transport's rail franchising teams must more actively ensure that all passenger rail franchisees adopt best practice and innovative approaches and adhere to their contractual obligations to consult on all significant service changes.

The Government agrees with this recommendation. The Government agrees that GTR's active engagement with rail user groups over a sustained period of time, both before and after the timetable change, should be held as a model of good practice that it will encourage other operators to follow. The Government notes that Northern followed a similar model of good practice, consulting widely with stakeholders and user groups across the north of England. However, due to reasons outside its control, Northern was not able to deliver the timetable that passengers rightly expected and instead had to deliver a very different timetable that does not meet the needs of many passengers, particularly in western parts of Northern's network. The timetable that Northern consulted on is now planned to be delivered in May 2019 following completion of infrastructure works.

Whilst it is not always possible or practical to consult widely on short-term changes, the Department will actively encourage operators to build on the good practice displayed by GTR and Northern, and encourage more innovative methods to engage more passengers.

Recommendation 9 (para 128)

Future national rail timetable changes must adhere to agreed timescales and allow sufficient time for meaningful consultation with passengers.

The Government agrees that national rail timetable changes must adhere to agreed timescales and allow sufficient time for meaningful consultation with passengers. In preparation for the timetable changes that at the time were planned to be phased in over the course of 2018, GTR carried out the most comprehensive consultation exercise ever undertaken by a train operator with nearly 30,000 individual responses and hundreds of local stakeholder meetings. Feedback from this exercise had a material impact on the timetable plans and led to many changes for the benefit of passengers.

However, the Government also accepts that consultation was not carried out for the temporary changes affecting East Midlands and Thameslink passengers at peak times on the Midland Main Line. This is because the need for these changes became apparent too late in the process to allow time for meaningful consultation. Government instead focused the industry on delivering meaningful mitigation and ensuring that, where possible, capacity was maintained.

Recommendation 10 (para 129)

As set out earlier in this Report, the industry and Network Rail have now adopted a more cautious approach to national rail timetable change in December 2018, and possibly beyond. We recommend the Department for Transport use this period of relative stability to re-assess the effects of the May 2018 timetable change, identifying stations that have lost a significant number of services, particularly at peak times. The Department and Network Rail should work with the operators and engage with passengers to design mitigations that better meet the needs of people travelling to and from the worst-affected stations. Evidence to our inquiry suggests these will include Sheffield, Hitchin, Harpenden, Luton Airport Parkway, Leagrave, Harlington and Flitwick

The Government agrees that it should work with operators to assess the effects of the May 2018 timetable change. Since the timetable stabilised in July, the Government has been actively engaged with operators to identify stations that have had a material degradation in service or indeed an improvement that is not working as efficiently as it could, in order to ensure that future timetable changes continue to build improvement into the system.

Of the stations identified by the Committee:

- In response to stakeholder feedback, GTR carried out a detailed assessment of passenger numbers between Bedford and St Pancras (which includes Harpenden, Luton Airport Parkway, Leagrave, Harlington and Flitwick stations). The assessment identified that whilst the number of peak trains broadly meets the demand of passengers, there are minor changes that might be possible to improve the passenger experience. GTR has committed to the Government that it will share this analysis and work with local stakeholders. However, the more material improvements that are planned for these stations are not possible until the Midland Main Line upgrade is completed.
- Additional capacity was provided to Hitchin passengers as part of the December timetable change, however, the non-stop services to London that passengers had previously benefitted from are no longer possible as more stopping trains are needed at stations between London and Hitchin.
- East Midlands Trains has worked with Network Rail and other train operators to identify improvements it can make to its most popular Sheffield to London ‘Master Cutler’ service and this is planned to be delivered in May 2019.

The operators are best placed to lead engagement with passengers or their representative user groups to ensure that timetable changes meet the needs of the travelling public. The Government agrees that, where appropriate, operators should be supported by Network Rail and the Government to develop appropriate and effective mitigations where these are practical.

Appendix 2: Office of Rail and Road Response

Thank you for the advance copy of the Transport Select Committee’s report on the May 2018 timetable changes, which was published on 4 December 2018. Thank you also for the opportunity you gave ORR to give evidence to the committee on 22 October 2018, attended by Professor Stephen Glaister, HM Chief Inspector of Railways Ian Prosser, and Director of Strategy Dan Brown. This letter is a response to the Committee’s report, setting out the relevant ORR findings, recommendations and ongoing activities.

ORR first raised formal concerns about the May 2018 timetable change with Network Rail in February 2018, when we opened an investigation into the conduct of the timetabling process. Specifically, we investigated why Network Rail was unable to finalise timetables far enough in advance to provide operators and passengers with sufficient information about journeys — a requirement that ORR monitors and enforces under the network licence. That investigation concluded in July 2018.² ORR identified a number of failings, and specific remedial actions that we required Network Rail to address. It had also become clear that there were important systemic issues in the planning and delivery of timetable changes — issues that went beyond Network Rail.

Following the disruption in May 2018, ORR was also commissioned by the Secretary of State to conduct a separate inquiry. We were asked to investigate the causes and effects of the failure to introduce a working timetable, and to develop recommendations for the future.

The inquiry documented the extent and duration of the harm suffered by passengers, and the industry’s response, in our September 2018 interim report. The disruption had a severe impact on the journeys of many passengers (particularly on routes in the North West and around London) and on their professional and social lives. Our report summarises the data and qualitative evidence gathered via focus groups, written correspondence, online surveys and regulatory monitoring.³ The findings should serve as a reminder of the effect that inadequate planning and execution can have on the travelling public, and the knock-on effect that this can have on passenger confidence.

This interim report also examined the factors that led to the failure. May 2018 was the largest ever revision to the national timetable. This scale of change was a consequence of the new (and ongoing) increase in capacity investment, designed to meet the increase in demand witnessed in the rail sector in recent years. Unfortunately the existing industry capability and change-management mechanisms were not adequate to the task. The September report sets out in detail the various errors and oversights on the part of Network Rail, operators, government and regulator that contributed to the failure of the May 2018 timetable. These failings also reveal systemic industry issues related to the governance of infrastructure programmes, timetable planning, and the management of risk. I will not catalogue these various failings here, but would like to draw attention to

2 <http://orr.gov.uk/news-and-media/press-releases/2018/orr-requires-action-by-network-rail-over-timetabling-failures>

3 http://orr.gov.uk/_data/assets/pdf_file/0018/39042/inquiry-into-may-2018-timetable-disruption-september-2018-findings.pdf

one of the key findings: the existing arrangements did not support clarity of responsibility for decision-making, with the result that nobody took charge. We are pleased to note that the Committee's conclusions about causes of the disruption align with ORR's findings.

Our final report was published on Friday 7 December — shortly after the Transport Select Committee's report.⁴ In this report we put forward several concrete recommendations that, properly implemented, will help to mitigate against the risk of similar disruption in the future, recommendations that were developed on the basis of cross-industry consultation. The report also offers a survey of where ORR has already taken action in response to the May disruption. These various recommendations and activities focus on three main areas: passenger trust and confidence; the system operator and timetabling process; and the management of systemic risk across major programmes.

Again, there is a large degree of alignment between the activities and recommendations described in ORR's final report, and the areas highlighted for improvement by the Transport Select Committee. The TSC report mentions various areas of the industry that should be reviewed, and highlights three in particular: the provision for passengers with disabilities, compensation for passengers, and the role of consultation in future timetable change processes. ORR is doing work, or has developed recommendations, in all three of these areas, as summarised below.

Passengers with disabilities

The Committee's report emphasises the difficulties faced during the disruption by passengers with disabilities, and puts forward two specific, related recommendations that refer to ORR. The first of these relates to operators' contingency plans.

“All passengers affected by the 20 May timetabling disruption have been badly let down by the system, but people with sensory, mobility and other impairments were disproportionately affected. This is clearly unacceptable. As a matter of urgency, the industry and the Office of Rail and Road must take steps to ensure such a situation does not arise again. Putting in place adequate contingency plans to assist disabled people if timetable changes do not go to plan must now be a central part of train operating companies' timetable planning processes. We recommend the Office of Rail and Road take a proactive approach to ensuring such plans are in place and, in response to this Report, it should set out how it intends to do so.” (Para 81)

As a condition of its operating licence, each train operating company must produce a Disabled People's Protection Policy (DPPP). The ORR reviews and approves each DPPP and ensures ongoing compliance. The current DPPP Guidance requires that train operating companies set out their policies and operational arrangements when disruption occurs, whether the disruption is planned or whether it takes place with no warning.

4 <http://orr.gov.uk/rail/consumers/inquiry-into-may-2018-network-disruption>

We have recently published our consultation on changes to the DPPP Guidance, which offers an opportunity to reassess contingency planning for disabled people's assistance during disruption.⁵ We propose a requirement for operators to set out how they will contact passengers to inform them and discuss alternative arrangements where assistance booked in advance can no longer be provided because of service disruption.

We also propose a requirement for operators to set out how they will inform passengers, including those with mental, intellectual or sensory impairments on board trains and at stations when there is disruption, a diversion or delay with no advance warning, whether assistance has been booked or not.

In order to ensure that disabled passengers are protected when there is disruption, we will also work with train operating companies to identify and share good practice in contingency planning to assist disabled people in times of disruption.

We will publish the final DPPP guidance this spring following consideration of responses to our consultation on the proposed changes. Following this, train operating companies will be required to submit revised DPPPs for ORR's approval during the latter half of this year.

The Committee's second recommendation refers to ORR's monitoring and enforcement in this area.

“We welcome the Office of Rail and Road’s renewed focus on the adequacy of train operating companies Disabled Persons’ Protection Policies (DPPPs) and support its intention to consult and then strengthen the regime. Northern Rail’s failure to put in place additional assistance, despite being fully aware ahead of 20 May of the very high risks of severe disruption, clearly demonstrates the weakness of the current approach. Our judgement is that the ORR can no longer rely solely on the publication of data, and the reputational effects on train operating companies’ behaviour, to ensure compliance and the provision of assistance that disabled rail users need and deserve. The Regulator must prove its effectiveness in this policy area, including by acting swiftly to implement the outcome of its DPPP consultation and stepping up its enforcement activity, including using its powers to levy fines on train operating companies.” (Para 82)

ORR believes that every rail passenger deserves to travel with confidence and dignity. We are committed to ensuring train and station operators comply with their obligations to provide the assistance to which passengers are entitled, and we take monitoring and enforcing compliance with DPPPs seriously.

We engage with train and station operators to quickly and effectively secure behavioural changes that make a positive difference for passengers. Examples include our work with GTR when the role of conductor on Southern services changed to that of ‘On Board Supervisor’. Through investigation, monitoring and discussion we secured changes to GTR's processes to ensure continued compliance with its Disabled People's Protection Policy. We have also secured changes to Scotrail's website to ensure that passengers using wheelchairs are informed when attempting to purchase first class tickets that there is no wheelchair space in first class accommodation. Another example is our work with Greater Anglia to ensure the number and location of blue badge parking spaces at several stations

⁵ The revised draft DPPP Guidance, available on the ORR website at <http://orr.gov.uk/rail/consumers/consumer-consultations/improving-assisted-travel-consultation-2018>

they operate complied with the requirements of the Design Standards for Accessible Stations Code of Practice. More recently we have engaged with Northern on its scooter policy to ensure it delivers for passengers.

We use a range of data in support of our compliance monitoring activities, including ongoing passenger surveys, complaints, correspondence and information received from passenger organisations. This data enables us to be proactive in identifying and acting on areas of concern, informing the engagement we have with operators to understand the underlying issues and consider any interventions that may be required. This activity can secure behavioural change quickly and effectively to benefit rail passengers.

Where we identify failures, we also consider their frequency and seriousness to ascertain whether they may reveal a more systemic problem where intervention could have widespread benefit. In all cases we take a staged approach to decisions, engaging with the licence holder at an early stage to discuss our concerns and set out clearly what steps we require to be taken to rectify the situation. When commitment from the operator to rectify the situation is not forthcoming we will not hesitate to take action in accordance with our licence enforcement powers under the Railways Act 1993, following our economic enforcement policy.⁶

The ORR is currently formally investigating two train operating companies for the information that was provided to passengers to enable them to plan and make their journeys with a reasonable degree of assurance. These investigations, which are a result of the disruption caused by the May timetable change, specifically acknowledge issues for disabled passengers.

Compensation

The Committee's report highlights the importance of fair compensation. Our final report shows that the severity, extent and duration of disruption following May 2018 saw a corresponding increase in the number of compensation claims from passengers, and sets out some of the steps taken by operators and government in response.

ORR is responsible for enforcing consumer rights in the rail sector, and plays a proactive role in monitoring performance and promoting improvements in this area. To this end, ORR has published guidance and regular summaries of the sector's performance, and works with the industry to develop best practice. Our annual Measuring Up consumer report provides a regular snapshot of progress in various areas of consumer policy, including compensation.

As well as this regular monitoring work, ORR is taking proactive action in the area of compensation. On 26 November 2018 a new Rail Ombudsman scheme was established by Rail Delivery Group, working with government, passenger representative bodies and ORR, and in accordance with the Alternative Dispute Resolution (ADR) regulations. This scheme provides a free and independent means of complaint resolution in situations where the claimant is not satisfied with an operator's initial response. On 19 December

6 Our economic enforcement policy can be found at http://orr.gov.uk/_data/assets/pdf_file/0018/4716/economic-enforcement-statement.pdf

2018, following consultation, ORR published a draft modification to the conditions of operator licences, mandating membership of the ADR scheme for train operators.⁷ Pending consultation, we expect this to become a formal requirement of operator licences.

ORR has also taken the initiative to examine the role of the third party intermediary (TPI) companies that offer assistance to passengers in claiming compensation under the Delay-Repay scheme. There has been a recent and rapid growth in the number of these companies, some of whom have sought to develop technical process solutions to the issue, including the development of smartphone software and use of data.

This growth in TPIs presents a number of potential benefits, including increased awareness and ease of claims, as well as potential risks, including a lack of transparency in the pricing of such services. ORR is mindful of the experience of regulators in other sectors, and we have opted to review the TPI market. We expect to complete this initial review by May 2019, and will then consider whether any further regulatory action is required.

Consultation and impact assessments

The TSC report notes that many rail users felt their interests were not taken into account by the industry, in the preparation and implementation of the May 2018 timetable changes. You recommend that all franchisees should adopt best practice in adhering to their contractual obligations to consult on all significant service changes.

Our Inquiry has reached similar conclusions. The existing model for rail investment is predicated on the passenger interest being represented by other parties throughout the process. Government specifies and procures infrastructure and franchise services on the passenger's behalf, and holds operators to account. Train operators consult with passengers and then represent the passenger interest throughout the timetable development process.

This model did not work effectively in May 2018, and the voice of the passenger was lost in the assessment of delivery risk. When, despite prior promises of improved services, passengers were instead faced with extensive disruption, they are entitled to ask whether the potential impact on them had been properly considered.

As a potential remedy, the Inquiry recommends that the sponsor of investment programmes (in most cases government) should seek appropriate assurance that the impact on passengers has been assessed at investment decision points, and when change control decisions are made that may impact the quality of the service passengers will experience, or the timing of the delivery of those services.

An assessment of passenger impact should help to ensure that the interests of the passenger are not lost in the decision-making process for a major system change. It will help the sponsor, and other bodies, recognise and articulate the potential trade-offs between current services (for example, in terms of engineering possessions) and future services (for example, in terms of deferred benefits).

Of course, the potential impact on passengers is not the sole criteria by which decisions are made. There are a number of other factors that must play a role in change-control

7 <http://orr.gov.uk/rail/consumers/consumer-consultations/changes-to-complaints-handling>

decisions. Nonetheless, a requirement for the sponsor to seek confirmation that passenger impacts have been taken into account will help reassure passengers that their interests have been given due consideration.

Other recommendations and regulatory activities

The ORR inquiry has put forward other recommendations, and we are taking action in a number of areas. We do not set them out at length here – a full description is published in our final report – but a brief overview follows.

A lack of timely and accurate information for passengers was highlighted in our inquiry. As noted above, ORR is currently conducting a separate licence investigation into whether operators met their licence obligations in this area, and will reach a decision on potential breaches in spring 2019.

ORR will also lead a research project into the industry's end-to-end provision of passenger information, and how it might be improved. We expect industry stakeholders to participate actively in the evidence-gathering phase, and collaborate on the development and implementation of any proposals.

The Network Rail System Operator function (SO) is responsible for producing the timetable. As such, the SO's capability, engagement with operators, and use of technology is an important factor in ensuring that the timetabling process runs smoothly. The ORR inquiry's final report makes specific recommendations in this area.

Several of the inquiry's recommendations relate to technical elements of the Network Code Part D timetabling process. In our final determination for PR18, we require Network Rail to lead an industry review of this process, and we have set out recommendations in the inquiry final report about the remit and conduct of this review. Network Rail will produce a plan for how it intends to lead this review by 1 April 2019. ORR will monitor this review, and will take account of its conduct when making our final decision on any proposed changes to Part D of the Network Code.

Lastly, the ORR inquiry considers the governance of major programmes, and management of systemic risks. The planning and delivery of large-scale investment programmes, and their integration into a working timetable, is a complex process requiring collaborative engagement between numerous parties. ORR makes a number of recommendations related to clarity of responsibility, alignment of enhancement plans with the timetabling process, collaboration in identifying and communicating risks, and the role of independent assurance.

The role of ORR

Committee and Inquiry have both noted the importance of adequate monitoring and oversight by ORR. Alongside phase one of the inquiry, ORR conducted a separate 'prior-role' review that examined our own involvement in, and regulatory oversight of, the development and implementation of the projects and timetable processes that led up to the May 2018 timetable change. We have reviewed whether we could have acted faster or earlier to ensure Network Rail addressed issues that had already been detected by ORR, under our monitoring of NR's compliance with licence conditions. As noted by the ORR

Chair before the Committee in October 2018: “We should have looked to ways of being sharper on enforcing those licence conditions, and in future we will. That is part of the recommendations we will be looking for, both for ourselves and in our advice to the Secretary of State about what should be done”.⁸

As a result, ORR has reviewed the effectiveness of the assurance activity being undertaken by the industry PMO that was set up to monitor preparedness across the industry for the December 2018 and May 2019 timetable changes. In our view, the establishment of the industry PMO has enabled the SO and others to take a whole system view of risks to the timetables. However, we, and stakeholders, consider that some issues remain. These include that there is no agreed long term future for the PMO. As a result, in our Final Order following our decision that Network Rail were in breach of the timetabling conditions in the licence, we have asked Network Rail to set out how the PMO function will be embedded into the business as usual activity of timetable production.

We have also taken the opportunity to consider ORR’s role in the future monitoring of the SO’s timetabling capability, as part of ORR’s final PR18 determination of Network Rail’s outputs for the next 5 year control period. We have required Network Rail to explain to us how they will integrate the reporting of the System Operator function’s timetabling capability into their wider reporting for the next control period. ORR will use Network Rail’s annual narrative report, alongside the specific System Operator scorecards, to monitor the System Operator’s delivery to its customers against the commitments it has made to them in its business plan for Control Period 6.

Conclusion

As the TSC report notes, the unprecedented scale and ambition of the changes that were planned for May 2018 were a product of the ongoing increase in public investment in infrastructure and services. To justify, and continue attracting, investment of this nature, the industry will have to get better in the way that it plans and manages change. Summarised above, the final report of the ORR inquiry sets out a number of concrete recommendations for this improvement, which can be implemented within the short and medium term.

In the longer term, some of the issues identified in the TSC and Inquiry reports are also likely be addressed as part the ongoing Williams review into the organisational and commercial frameworks of the UK rail industry. ORR will continue to contribute to this review, providing data and expertise as appropriate.

We are grateful for the opportunity to provide evidence to the Committee, and respond to the final report. We would be happy to provide any further information or detail that the Transport Select Committee requires.

Yours,

John Larkinson

Chief Executive, Office of Rail and Road

⁸ Rail Timetable Changes: May 2018 House of Commons Transport Committee report, 4th December 2018, page 21.