

AGENDA MANAGEMENT SHEET

Name of Committee

Cabinet

Date of Committee

13th July 2006

Report Title

Chiltern Railways – Proposed December 2006 Timetable

Summary

Chiltern Railways are proposing some significant changes to its services. The report outlines these and describes the impacts on passengers in Warwickshire. It is recommended that:-

- (i) A response be made to Chiltern Railways in the terms of the draft appended to the report to the effect that the County Council is not willing to support the changes to services proposed in the Chiltern December 2006 Timetable; and
- (ii) A representation be made to the Department for Transport (DfT) setting out the views of the County Council and requesting that it should not approve the changes to the terms of the Chiltern Railways Franchise Agreement which would reduce the current contracted levels of services and station calls.

For further information please contact

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Would the recommended decision be contrary to the Budget and Policy Framework?

Yes/No

Background Papers

Letter dated 24th May 2006 from Chiltern Railways to the County Council.
Draft Proposed Chiltern Railways December 2006 Timetable.

CONSULTATION ALREADY UNDERTAKEN:-

Details to be specified

Other Committees

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Local Member(s)
(With brief comments, if appropriate)

Councillor J Compton – I wish to express concern with regard to the proposed reductions at Hatton and Lapworth stations.
Councillor R Hobbs

Other Elected Members

Councillor K Browne)
Councillor Mrs E Goode) for information
Councillor Mrs J Lea)

Cabinet Member
(Reports to The Cabinet, to be cleared with appropriate Cabinet Member)

Councillor M Heatley

Chief Executive

.....

Legal

I Marriott – agreed.

Finance

.....

Other Chief Officers

.....

District Councils

.....

Health Authority

.....

Police

.....

Other Bodies/Individuals

.....

FINAL DECISION

YES/NO (If 'No' complete Suggested Next Steps)

SUGGESTED NEXT STEPS :

Details to be specified

Further consideration by this Committee

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To Council

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To Cabinet

.....

To an O & S Committee

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To an Area Committee

.....

Further Consultation

.....

Cabinet - 13th July 2006

Chiltern Railways – Proposed December 2006 Timetable

**Report of the Strategic Director for
Environment and Economy**

Recommendation

That Cabinet authorises:-

1. A response be made to Chiltern Railways in the terms of the draft in **Appendix B** to the effect that the County Council is not willing to support the changes to services proposed in the Chiltern December 2006 Timetable.
2. A representation be made to the Department for Transport (DfT) setting out the views of the County Council and requesting that it should not approve the changes to the terms of the Chiltern Railways Franchise Agreement which would reduce the current contracted levels of services and station calls.

1. Introduction

1.1 The Chiltern Railways Franchise operates several services within Warwickshire:-

- (i) Birmingham Snow Hill–Solihull–Lapworth–Hatton–Warwick Parkway–Warwick–Leamington Spa–Banbury–High Wycombe–London Marylebone.
- (ii) Stratford-upon-Avon–Wilmcote–Bearley–Claverdon–Hatton–Warwick Parkway–Warwick–Leamington Spa–Banbury–High Wycombe–London Marylebone.

1.2 These services are an amalgamation of the original Chiltern services and the local stopping services of Central Trains between Stratford-upon-Avon and Leamington Spa and between Birmingham Snow Hill and Leamington Spa.

1.3 The Chiltern Railways Franchise is operated by M40 Trains, a subsidiary of Laing Plc.

1.4 Rail services are operated through a system of franchises (eg. Chiltern Railways) which are awarded by the DfT to private sector companies (eg. M40 Trains) following a competitive tendering process. The majority of franchises require the payment of publicly funded subsidies to the franchise operators.

- 1.5 For the period of their tenure, the franchise operators become the owners of the shares in the franchise company. During this time, the assets of the franchise company, such as rolling stock, staff contracts, timetable access rights and station leases, must be retained in the ownership of the franchise company. This requirement is to ensure that, if the franchise operator surrenders a franchise, either voluntarily or involuntarily, the franchise company will revert to the DfT in its entirety so that the rail services can continue to operate without any break in service.
- 1.6 The franchise agreements between the DfT and the franchise operators are very detailed and include a contracted minimum service (Passenger Service Requirement (PSR)) which the franchise operator must provide. The franchise operator may also operate additional services to the PSR on a commercial basis.
- 1.7 The distinction between the franchise operator and the franchise company is important for the purposes of the issues discussed in this report, as an appropriate balance needs to be achieved between the ultimate profit objectives of the franchise operator and the services which the franchise company provides to the passengers. Members may wish to bear this distinction in mind in considering the implications of the proposed timetable changes described in this report.

2. Background

- 2.1 The completion of track and signalling enhancements between London and High Wycombe, together with the provision of two additional platforms at London Marylebone Station, has provided an opportunity for Chiltern Railways to review the current timetable and improve the pattern of services on offer to passengers.
- 2.2 Chiltern Railways are currently consulting on a proposed December 2006 Timetable and a copy of the consultation letter is attached as **Appendix A**. A copy of the proposed timetable is available to Members, on request.

3. Proposed December 2006 Timetable

- 3.1 The 'headlines' of the proposed timetable changes as they affect passengers travelling to and from Warwickshire are:-
 - (i) Retiming of the last Chiltern departures from Birmingham Snow Hill to local stations between Lapworth and Leamington Spa. This service would be retimed 30 minutes earlier at 2115.
 - (ii) Some reductions to services from Warwick to stations northbound towards Birmingham Snow Hill in the evening peak and evening period.
 - (iii) Reduction of services to Hatton and Lapworth to every two hours in the off-peak period.

- (iv) Substantial reduction of evening services calling at Hatton and Lapworth to and from Birmingham in the evening.
 - (v) Reduction of services calling at Claverdon and Bearley to one per day in each direction.
- 3.2 There are also a significant number of other individual changes to services, which could create problems for individual rail users.
- 3.3 There do not appear to be any appreciable corresponding benefits for customers in Warwickshire in the proposed timetable. Accordingly, your officers anticipate that the County Council will have profound reservations regarding the proposed timetable as it will disadvantage a significant number of rail passengers in the County, both existing and potential.
- 3.4 Pre-consultation discussions have been held with Chiltern Railways and your officers have expressed substantial concerns regarding the adverse impact of the proposed timetable on Warwickshire residents, both orally and in writing.
- 3.5 In approaching these discussions, your officers have considered the interests of passengers in Warwickshire, the policy contained in the Warwickshire Local Transport Plan 2006 Passenger Rail Strategy regarding existing levels of service and stations that:- *“The County Council will seek the retention of existing levels of service and of existing stations”* and also the levels of services set out in the Local Transport Plan (LTP) which are required to deliver national and local transport policies and objectives.
- 3.6 Members may wish to consider the following issues in deciding upon the County Council's view:-
- (i) The current financial and commercial issues which are cited by Chiltern Railways as justification for the proposed cuts in services relate to the operation of the Chiltern Railways franchise by M40 Trains rather than to the franchise itself. In these circumstances, it appears appropriate to expect M40 Trains to look to efficiencies in the way in which it operates the franchise rather than to expect the customers to accept a reduced service.
 - (ii) M40 Trains is paid a substantial subsidy from public funds to continue to provide a number of loss-making socially necessary services. There appears to be a trend in recent revisions to the timetable over the last few years whereby M40 Trains has sought to alter the characteristics of these services to facilitate its own business priorities of creating a long distance limited stops service pattern. If Chiltern Railways becomes a primarily long distance franchise, the local market will not be served.
 - (iii) The stations between Leamington Spa and Birmingham do fall within the catchment area of the West Midlands conurbation for employment, retail, medical and leisure purposes. Further reductions in services to Warwick, Hatton and Lapworth stations will run contrary to national and local transport policies as it will encourage some current rail users to use their

motor cars more often, others to purchase cars and reduce the accessibility of others to employment, leisure and other facilities.

- (iv) The DfT West Midlands Franchise Consultation Document dated June 2006 states that the service levels and patterns of local services in the West Midlands in the June 2006 timetable are largely considered to be appropriate to the current levels of demand and to represent value for money. A very substantial element of the Chiltern timetable between Leamington Spa and Birmingham Snow Hill is contained in the Central Trains Franchise although they are operated by Chiltern Railways. As the Central Trains Franchise commitments will be subsumed within the new West Midlands Franchise and effectively fall within the DfT's assessment quoted in the first part of this paragraph, there does not appear to be any justification for reducing services to stations on this corridor.
- (v) Whilst it is accepted to varying degrees that some of the stations which are the subject of service reductions do not attract large numbers of passengers, it is important to note that the communities which these stations serve do not have alternative public transport services to make equivalent journeys. In these circumstances, a key purpose of the payment of public subsidy to train operators is to enable the accessibility of people in these communities, without access to a car, to employment, education, retail and leisure facilities.

4. Conclusion

- 4.1 A draft response to Chiltern Railways is attached as **Appendix B**. This sets out the County Council's objections to the proposed timetable in detail and the reasons for this position.
- 4.2 A number of the proposed timetable changes relate to Chiltern Railways' 'commercial' services and, as such, are within its control. However, a number of other changes will require the approval of the DfT as they will reduce the contracted service levels below that set in the franchise agreement. It is proposed, therefore, that a representation also be made to the DfT expressing the views of the County Council.

JOHN DEEGAN
Strategic Director for Environment and Economy
Shire Hall
Warwick

27th June 2006

Cabinet - 13th July 2006

Chiltern Railways – Proposed December 2006 Timetable

24 May 2006

Ref: consultationdec06240506

Passenger Board members
London TravelWatch and Passenger focus

December 2006 Timetable Consultation

I am pleased to introduce a consultation draft of our proposed December 2006 timetable.

We are at a critical stage in the continuing development of Chiltern Railways. Our investment programme has delivered a number of significant schemes over the last few years. We have now completed the new depot at Wembley, refurbished all of our Class 165 trains, and have 6 more Class 168 vehicles about to enter traffic, to add to the 61 already in service. Up and down the line, we have extended platforms and car parks, and carried out works at our stations to make them welcoming. The major Evergreen 2 track and signalling works are on time and on budget for opening this Autumn. We are already seeing the outcome of the works on the ground – with platform 6 at Marylebone opening last week. Less obviously, but very importantly, we now have the new signalling in use between Marylebone and Neasden Junction, and between High Wycombe and Princes Risborough. And in April, we delivered the highest ever level of punctuality on Chiltern Railways, with 96.93% of our trains running on time.

But last year brought with it a number of serious challenges. Most obviously, the closure of the line for 7 weeks last summer, following the collapse of the tunnel at Gerrards Cross, has cast a long shadow over our commercial prospects. The level of patronage growth has still not recovered to the rates seen before the tunnel collapse. There is evidence – real and anecdotal – that since last summer, we have lost some customers to neighbouring routes, and others have changed their travel patterns. In the longer term, it will not be sustainable for this trend to continue, so we have to take measures now to alter our product offering to refresh and improve the service at our principal stations, and at the same time to look carefully at our operating costs, to make sure that we can continue to offer an excellent service into the future.

It is in this context that we have prepared our December 2006 timetable. The extra infrastructure which the Evergreen 2 project delivers will be put to use enabling us to

run trains more closely together when there is demand, and to recover more quickly from delays. We have also taken a hard look at the times of the day and week when we are providing many more trains than demand requires, and have taken this opportunity to correct that balance. Many of the changes which we propose will need the consent of the Department for Transport, with whom discussions continue. In my experience, the best timetables are those which are carefully prepared, and reflect the considered input of our passengers and their representatives.

The headline points to this timetable change are as follows:

- Improvements to our morning train service between the West Midlands, Warwickshire, Banbury and London and the evening return services. This includes a regular interval evening service with express trains departing London on the hour and at half past between 1600 and 2130. We have listened to requests for faster journey times, and have planned some key trains at peak times which complete the Marylebone-Birmingham journey in under two hours, and the Marylebone-Warwick Parkway journey in under 90 minutes. This includes one peak train in each direction which runs non-stop between Marylebone and Leamington Spa;
- For Banbury, there are many more non-stop London trains, timed to meet the peak travel flows;
- For Bicester North and Haddenham & Thame Parkway, we have separated many peak trains out of the London-Birmingham service group, and have planned several Marylebone-Bicester / Banbury services specifically to serve this important market. We propose to use our popular Clubman trains on almost all of the principal peak services from these stations.
- For the stations in our Heartlands, that is, between Denham and Princes Risborough, including Gerrards Cross, Beaconsfield and High Wycombe, there are changes to train times, wherever possible with a view to running peak London trains with fewer stops, and at a better spread of times. This has in some instances meant that the total number of peak trains is less than it is today, but we believe that the overall service offer will be better because the spread of trains is more consistent, and overall there are fewer intermediate stops.
- On the Aylesbury line, we have listened to passengers' concerns, and plan to speed up some of the peak services – consequently, a greater number of peak services are proposed to run non-stop between London and Great Missenden.

These are the headline improvements. We have also taken this opportunity to reduce the level of train service at times and places where demand for it is light to make sure that we are making the best use of our resources, plus doing this helps us to deliver the above improvements. The key areas where we propose reductions in service are:

- On weekdays, south of Bicester North, there are slightly fewer trains leaving Marylebone between about 1000 and 1200, when northbound travel patterns are light. Similarly, there are slightly fewer trains southbound mid afternoon, when travel patterns are light;
- Early on Saturday mornings, counts show that we are providing many more seats than there is demand for on northbound departures from Marylebone. We have in consequence removed some lightly used trains.
- At certain stations, passenger numbers are exceptionally low, and we propose to reduce the number of calls there to speed up journey times for passengers

making through journeys. Denham Golf Club, Claverdon and Bearley, and in the off peaks, Hatton and Lapworth, fit into this category.

- On Saturday evenings, we propose to discontinue through Chiltern services beyond Birmingham Snow Hill to Stourbridge Junction and Kidderminster. Demand for these trains is light, and removing them enables us to concentrate our resources in Birmingham.
- On Sunday afternoons, we propose to remove the Aylesbury to Amersham shuttle service, since for some years, we have now provided through trains from Marylebone to Aylesbury via Amersham, so meaning that loadings on these trains have been exceptionally light – with single figure numbers of passengers on most trains.

There are of course many more changes than it is possible to list here, so there is no substitute for a full look at the timetable itself.

We want to engage our passenger representatives and stakeholders in as great a detail possible to ensure that we have fully appreciated the local significance of our proposed changes. I hope you will be able to play an active part in the consultation process which follows, starting with a Timetable Workshop to be held at 1345 on Friday 9 June, at The Swan, High Wycombe, to which Graham Cross has invited you.

I know that it can be disconcerting when timetables change, but I can reassure you that we have set about this timetable change to ensure the ongoing sustainability of the business, and have considered the consequences of our proposals carefully. I believe it is a balanced package which delivers benefits for the majority of our passengers. I am looking forward to hearing your input, and thank you in advance for your constructive engagement in the process.

Yours sincerely,

Cath Proctor
Managing Director

cc: Mark Beckett; Neil Micklethwaite; Graham Cross; Guy Horstmann; Stuart Yeatman and DfT

Cabinet - 13th July 2006

Chiltern Railways – Proposed December 2006 Timetable

Draft Response

The County Council appreciates the opportunity to comment on the consultation draft of the proposed December 2006 Timetable.

The views expressed in this response are limited to the proposed Chiltern Railways timetable as the County Council has not yet been consulted by Central Trains on its proposals for the equivalent timetable period. As there is a significant element of inter-working between Chiltern Railways and Central Trains in the fulfilment of Passenger Service Requirement (PSR), the County Council may have further views once it is aware of Central Trains' proposals.

There are several strategic aspects of the proposals which the County Council have considered in deciding upon its view. These are:-

- (i) The current financial and commercial issues which are cited by Chiltern Railways as justification for the proposed cuts in services relate to the operation of the Chiltern Railways franchise by M40 Trains rather than to the franchise itself. In the view of the County Council, there is no threat to the future of Chiltern Railways, which is a public asset and includes the rolling stock, staff contracts, timetable access rights and the station leases. If, for some reason, a franchise operator surrenders a franchise, it will revert to the Department for Transport (DfT) and the trains will run as normal without a break in service. In these circumstances, the County Council would expect M40 Trains to look to improvements in the way in which it operates the franchise rather than to expect the customers to accept a reduced service. The latter approach does appear difficult to justify as the County Council assumes that Chiltern Railways is not proposing a commitment to reinstate the proposed service reductions if the finances of M40 Trains improve. The other possibility is that the business does not improve as a result of the service cuts and M40 Trains has to return a 'degraded' franchise – in terms of service levels - to the DfT. In both cases, the customers in Warwickshire and elsewhere will have been disadvantaged.
- (ii) M40 Trains is paid a substantial subsidy from public funds to continue to provide a number of loss-making socially necessary services. Those which are of particular interest to Warwickshire residents are the local stopping services between Leamington Spa – Warwick – Warwick Parkway – Hatton – Lapworth - Birmingham and between Leamington Spa – Warwick – Warwick Parkway – Hatton - Claverdon – Bearley – Wilmcote – Stratford-upon-Avon. The County Council is very concerned that timetable changes over the last few years now appear to show a trend whereby M40 Trains has sought to alter the

characteristics of these services to facilitate its own business priorities of creating a value for money long distance limited stops competitor to the West Coast franchise. The structure of British Rail provided for a number of discrete business units, which together, were designed to meet all the segments of the potential market for rail services. If Chiltern Railways becomes a primarily long distance franchise, the local market will not be served. Whilst I appreciate that the latter services are not profitable, their retention is part of the purpose of the payment of public subsidy. The County Council's view is that M40 Trains should respect the conditions on which it secured the operation of the local services in Warwickshire.

- (iii) The stations between Leamington Spa and Birmingham do fall within the catchment area of the West Midlands conurbation for employment, retail, medical and leisure purposes. Further reductions in services to Warwick, Hatton and Lapworth stations will run contrary to national and local transport policies as it will force some current rail users to use their motor cars more often, others to purchase cars and reduce the accessibility of others to employment, leisure and other facilities.
- (iv) The County Council notes the comments that some of the stations which are the subject of service reductions do not attract large numbers of passengers. Whilst this fact is accepted to varying degrees, it is important to note that the communities which these stations serve do not have alternative public transport services to make equivalent journeys. In these circumstances, a key purpose of the payment of public subsidy to train operators is to enable the accessibility of people in these communities, without access to a car, to employment, education, retail and leisure facilities. In addition, the need for rail facilities is predicted to grow as environmental and congestion imperatives reduce car use. In the view of the County Council, it is not appropriate for short term commercial interests to determine the availability of transport opportunities in the longer term.

In these circumstances, the County Council is not willing to support the changes to services proposed in Chiltern December 2006 Timetable as they will disadvantage a significant number of rail passengers in the County, both existing and potential, without any appreciable corresponding benefits for other customers in this area.

The specific concerns regarding the proposed timetable are as follows:-

Leamington Spa - Birmingham: All Stations

- (i) The last Chiltern departure Ex. Birmingham (Saturdays and Sundays) are to be at 2111 and 2115 respectively. This will leave a substantial gap in the timetable on Saturdays and will result in the last departure being 2115 on Sundays. This is unacceptable in respect of a local service from a regional centre.
- (ii) The last Chiltern departure Ex. Birmingham (Mondays to Fridays) should remain at 2330 rather than 2315.

- (iii) The withdrawal of the opportunity to make a late journey (at 2150) from Birmingham Snow Hill to Stratford-upon-Avon by changing trains at Hatton is not acceptable. Stratford-upon-Avon, unlike other similar towns in the region, does not have a late evening service from Birmingham and the current facility helps to address this shortcoming.
- (iv) The proposal to operate a four car train on the 1700 Ex. London Marylebone rather than a seven car train as at present appears highly inadvisable bearing in mind the current overcrowding that currently occurs.

Leamington Spa Station

- (i) The withdrawal of the 0954 departure to Birmingham Snow Hill on Saturdays is unacceptable as it is a key train for leisure and retail journeys.
- (ii) The withdrawal of the 2310 (Friday) service from London Marylebone will finally remove the opportunities for evening leisure visits to London by residents of the Leamington Spa area.

Warwick Station

- (i) There is to be a reduction of departures northbound to Birmingham on Mondays to Fridays in the evening peak. These provide for workers' pm peak local journeys. The County Council will be concerned as the withdrawal of these calls reduces access to employment opportunities and could encourage the existing passengers to use their cars. The 1600 and 1700 Ex. London Marylebone should call to provide an attractive pattern of service for both returning London and Leamington Spa commuters.
- (ii) There is to be a reduction of departures northbound to Birmingham on Mondays to Fridays evenings. These are important for leisure based journeys to the regional centre.
- (iii) Withdrawal of the 0958 departure to Birmingham Snow Hill on Saturdays is unacceptable as it is a key train for leisure and retail journeys.

Hatton Station

- (i) Further reductions in travel opportunities from this station – in particular the reduction of the daytime off-peak service to two trains per hour - is not acceptable. Local and regional transport policies would envisage a daily regular clock face hourly frequency with additional trains at peak times as a minimum service level. The comment above regarding the inappropriateness of making service reductions based on passengers numbers alone is relevant.
- (ii) The issue for stations such as Hatton is not purely the quantum of service, but also that the timing and destinations of train services are convenient for the purpose of passengers' journeys.

- (iii) The County Council does not accept that calls at Hatton by Leamington Spa – Stratford-upon-Avon trains are adequate substitutes for PSR requirements as these do not offer journey opportunities to and from Birmingham.
- (iv) The 1712 Ex. Birmingham Snow Hill (Saturdays) should continue to call as it provides a key train for returning shoppers.
- (v) The 1906 Ex. Birmingham Snow Hill (Mondays to Fridays) should call as it provides for late commuters.
- (vi) The County Council is also concerned that the evening calls by services into Birmingham are substantially reduced and also that it is proposed the last train from Birmingham on Sundays would no longer call at Hatton. The hourly service specified in the PSR should be provided at least.
- (vii) A later last train from Leamington Spa would appear justified as Leamington Spa is a major evening leisure destination.

Lapworth Station

- (i) Further reductions in travel opportunities from this stations – in particular the reduction of the daytime off-peak service to 2 trains per hour - is not acceptable. Local and regional transport policies would envisage a daily regular clock face hourly frequency with additional trains at peak times as a minimum service level. The comment above regarding the inappropriateness of making service reductions based on passengers numbers alone is relevant.
- (ii) It is proposed that the number of calls at Lapworth are to be reduced under the proposed timetable by over 33%. This is not acceptable.
- (iii) The issue for stations such as Lapworth is not purely the quantum of service, but also that the timing and destinations of train services are convenient for the purpose of passengers' journeys.
- (iv) The 1712 Ex. Birmingham Snow Hill (Saturdays) should continue to call as it provides a key train for returning shoppers.
- (v) The 1906 Ex. Birmingham Snow Hill (Mondays to Fridays) should call as it as it provides for late commuters.
- (vi) The County Council is also concerned that the evening calls by services into Birmingham are substantially reduced and also that it is proposed the last train from Birmingham on Sundays would no longer call at Lapworth. The hourly service specified in the PSR should be provided at least.
- (vii) A later last train from Leamington Spa would appear justified as Leamington Spa is a major evening leisure destination.

Claverdon and Bearley Stations

- (viii) The proposal to reduce calls at these stations to one in each direction on Mondays to Saturdays (save for Claverdon on Saturdays) amounts to 'de facto' closures and is not acceptable. The comment above regarding the inappropriateness of making service reductions based on passenger numbers alone is relevant.
- (ix) This is one of several proposals in the timetable which will require the approval of the DfT and the County Council will be making appropriate representations to the DfT.
- (x) Whilst the County Council recognises that patronage is currently very low, the pattern of calls at these stations should provide realistic opportunities for commuting, education, retail and leisure opportunities both to and from Leamington Spa, Warwick and Stratford-upon-Avon. We would be willing to explore with you options for a revised timetable of calls at these stations that complied with the current PSR.

The County Council would ask that you identify opportunities to address all the above concerns. The County Council regrets that it is not able to be more supportive bearing in mind the very positive reputation of Chiltern Railways with its customers, both existing and potential, in its earlier years.