

Meeting:	Transport for the North Board
Subject:	Avanti West Coast Train Performance Improvement
Author:	Darren Oldham, Rail and Road Director
Sponsor:	Martin Tugwell, Chief Executive
Meeting Date:	Wednesday 20 March 2024

1. Purpose of the Report:

- 1.1 To provide the Board with the opportunity to consider and agree a response to concerns about the performance of Avanti West Coast.
- 1.2 This matter has been referred to the Board by the Rail North Committee following its meeting of 21 February 2024.

2. Recommendations:

- 2.1 The Board is recommended to consider the two options set out in paragraph 7.1.

3. Background

- 3.1 Avanti West Coast is the major long-distance operator for services to/from London and Scotland for centres in the west of the region. It serves Manchester, Liverpool, Crewe, Chester, Warrington, Preston and Carlisle.
- 3.2 Avanti’s contract is managed by the Department for Transport and is not subject to the devolved arrangements that apply to Northern and TransPennine Express, but as they provide rail services within the TfN area, the Board can provide statutory advice to the Secretary of State. This is the same arrangement as for other long-distance operators such as LNER and CrossCountry.
- 3.3 Partners have been raising concerns about Avanti’s performance through the Rail North Committee since summer 2022 when they introduced a temporary reduced timetable on the London-Manchester service group due to a shortage of available train drivers. Avanti was required to develop a recovery plan and was subject to two short-term contract extensions of 6 months.
- 3.4 In October 2023, the DfT judged that Avanti had made sufficient progress on addressing the issues and restoring services and awarded them a long-term contract. TfN was not consulted on the contract award or progress made. Avanti’s contract, which started on 15 October 2023, has a maximum term of nine years but can be terminated at any point after three years with three months’ notice. More information can be found here:
[Avanti West Coast awarded long-term contract after significant improvements for passengers - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/avanti-west-coast-awarded-long-term-contract-after-significant-improvements-for-passengers)
- 3.5 Partners have continued to raise concerns about Avanti’s performance subsequent to the contract award, with those concerns coming from right across the route network covered by Avanti and being raised by both residents and businesses. A common theme throughout has been the impact of problems on passengers and the way in which the operator responds to those problems.
- 3.6 Speaking before the Transport Select Committee on 28th February, the Rail Minister in comparing performance on the West Coast Main Line with that on the East Coast Main Line, noted the impact of differences in agreed working practices.

4. Context

4.1 The Terms of Reference for the Rail North Committee provides for:

The Rail North Committee shall actively consider and advise the Transport for the North Board on strategic issues relating to rail transport including:

- a) Priorities for services and infrastructure improvement*
- b) Rail devolution and reform matters.*

It is in this context that the Rail North Committee considered the concerns raised by partners in relation to Avanti's performance.

4.2 The Constitution sets out the general functions devolved to TfN by Parliament, and include:

'to provide advice to the Secretary of State about the exercise of transport functions in relation to its area (whether exercisable by the Secretary of State or others)'

It is in this context that the TfN Board should consider the matter referred to it by the Rail North Committee.

4.3 Avanti West Coast has confirmed their attendance at this meeting of the Board.

5. Considerations to Date

5.1 The Rail North Committee has actively engaged with Avanti West Coast in response to concerns raised by partners. The Managing Director of Avanti attended meetings on 14 November 2023 and 21 February 2024.

5.2 At the meeting, on 14 November, the Managing Director sought to reassure members that the reduction in services prior to Christmas 2023 were a necessary requirement to improve operational performance in the short term, a consequence of the operator having to deal with the consequence of historic issues around terms and conditions (for example the taking of annual leave). However, he also highlighted a broader challenge on driver numbers, noting the pressure that comes with an aging workforce.

The Committee acknowledged the extent to which the impact of infrastructure and weather events are often outside the control of Avanti, however, members expressed a view that the underlying resilience of operations appeared to be worse than other operators.

5.3 After this Rail North Committee meeting, its Chair wrote to the Managing Director of Avanti setting out the Committee's concerns regarding operational performance and the importance of realising significant improvement at pace.

5.4 In reporting the discussion at the November meeting back to this Board (14 December), the Chair of the Rail North Committee set out the deep frustration and anger amongst the business and wider community arising from the performance of Avanti West Coast.

Board Members from across the region echoed the views expressed by the Rail North Committee. After the December meeting, the TfN Board and RNC Chairs wrote a joint letter to the Secretary of State setting out the urgent need to subject the Avanti West Coast operation to a critical review by the Department.

5.5 At its meeting on 21 February, the Rail North Committee expressed continued frustration with the operational performance being delivered by Avanti. In their response the Managing Director once again set out the actions the operator is taking to improve performance, including actions to increase driver availability, whilst noting the ongoing challenges associated with Rest Day Working.

Following a robust discussion, the Committee concluded that it did not have confidence that the operator accepted the scale of the issue facing them nor that the measures in place would achieve the required improvement in performance. It was on this basis that the Committee referred the matter to the TfN Board.

The 'Second Liverpool' Service

- 5.6 The delivery of a 'second Liverpool' service per hour to/from Liverpool is a commitment that the Rail North Committee strongly supports. At the Committee's 14 November meeting, the Managing Director restated Avanti West Coast's commitment in this regard, advising that they hoped to start this service from June 2024.
- 5.7 At the Committee meeting on the 21 February, the Managing Director emphasised that the path to run the second Liverpool service is a 'contingent right'. Given the existing constraints and operational challenges when it comes to the West Coast Main Line, Members of the Committee sought clarity on whether the infrastructure can support the second Liverpool service.
- 5.8 The proposal for the second Liverpool service has been developed through the normal industry practices. Whilst the proposal is supported by Network Rail this is on the basis that it operates in diesel mode between Crewe and Liverpool, a consequence of restricted traction power supplies in the Crewe area. A power supply enhancement project is being developed and will require enhancement funding to be secured.

6.0 Measuring Performance

- 6.1 The rail industry uses a range of performance metrics for monitoring purposes. The Public Performance Measure (PPM) combines cancellations and punctuality into one overall percentage score (measuring the proportion of trains that run and operate within ten minutes of booked time on a given day).
- 6.2 Avanti West Coast's overall PPM score in the last eight weeks, 6 January to 24 February 2024, was 68.6% (median). The best performing week was 75.2% PPM for week ending 2 February 2024 and the worst performing week was 53.2% PPM for week ending 27 January 2024.
- 6.3 The TfN executive proposes that in terms of assessing an improvement in Avanti's performance a reasonable approach would be to propose the following:
1. That by end of period 2 for 2024/25 (ending 25 May 2024) to reach the level recorded in period 1 for 2023/24 (ending 30 April 2023) which was 80% PPM.

In addition to improved PPM, it is proposed that TfN will measure progress against two further outputs/behaviours:

2. A significant reduction in average minutes delay per train directly caused by Avanti West Coast (for example, a level of 0.6 average minutes delay per train was achieved in the 3 years prior to Covid)
3. A minimum of at least 48 hours' notice (to TfN and affected partner authorities) ahead of any short-term timetable change.

7. Options for Consideration

- 7.1 It was clear from the discussion at the Rail North Committee that a continuation of the current situation is unacceptable to the North. In referring the matter to the TfN Board the Committee requested that two options be presented to the Board for its consideration. Given the current situation the two most relevant options available to the Board are:

Option 1

For the Board to adopt a public improvement target for Avanti West Coast as outlined in paragraph 6.3 and to ask for the Rail North Committee to review progress in June 2024 and report to the June meeting of the TfN Board. The TfN Board may then, at that point consider the need for further measures.

Option 2

For the Board to submit Statutory Advice to the Secretary of State for Transport that Avanti West Coast's contract should be terminated at the earliest possible opportunity (with the Operator of Last Resort taking on responsibility in the short term for the delivery of long-distance services on the West Coast Main Line)

8. Corporate Considerations:

Financial Implications

- 8.1 There are no financial implications for Transport for the North as a result of this report. There would be implications for the DfT to consider if the arrangements with Avanti were amended or terminated.

Resource Implications

- 8.2 There are no direct resourcing implications as a result of this report.

Legal Implications

- 8.3 Any legal implications are included within the report. Contract management of the Avanti West Coast is undertaken by the DfT.

Risk Management and Key Issues

- 8.4 This paper does not require a risk assessment. A risk has been included on the Transport for the North Corporate Risk Register in relation to the future viability of rail services and Transport for the North's future role.

Environmental Implications

- 8.5 This report does not constitute or influence a plan or programme which sets the framework for future development consents of projects listed in the Environmental Impact Assessment (EIA) Directive and therefore does not stimulate the need for Strategic Environmental Assessment (SEA) or EIA. Any infrastructure proposals to improve the capacity and reliability of the system will be subject (where appropriate) to EIA Screening, conducted by Network Rail as part of the consenting process for those projects.
- 8.6 Passenger rail has an essential part to play in achieving our decarbonisation objectives within Transport for the North's Decarbonisation Strategy, particularly around reducing private car vehicle mileage.

Equality and Diversity

- 8.7 There are no specific equality and diversity issues.

Consultations

- 8.8 There are no specific consultations required as part of this report.

9. Background Papers:

- 9.1 None.

10. Appendices:

- 10.1 Appendix 1 – Correspondence from TfN to the Secretary of State
Appendix 2 – Correspondence from the Secretary of State to TfN.

Glossary of terms, abbreviations and acronyms used

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| a) DfT | Department for Transport |
| b) PPM | Public Performance Measure |