Maintaining and improving Britain's railway stations

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CONTENTS

EXECUTIVE SUMMARY

1   Britain's 2,507 railway stations[1] vary greatly in size. Each of the 28 largest stations is used on average by 90,000 passengers a day, and each of the 1,200 small unstaffed stations by just 100 passengers. Seventy per cent of all rail journeys are made from the busiest 10 per cent of stations. Network Rail owns most stations and is responsible for their structural repair and renewal. It also operates and manages 17 large stations, known as managed stations. It leases the remainder, known as franchised stations, to 22 Train Operating Companies (TOCs) responsible for station maintenance, cleaning and operations. These TOCs pay rent (including regulated charges[2]) to Network Rail.

2   The Strategic Rail Authority (SRA) has had a key role to play in stations, since the government established it in February 2001 to deliver strategic leadership to the railway industry. It inherited from its predecessor, the Office of Passenger Rail Franchising (OPRAF), minimum standards, including facilities and services required at franchised stations, monitored TOCs' compliance with requirements and helped fund stations' operation and improvement. Other public and private sector organisations also play a part. The SRA is being abolished under the Railways Act 2005, its strategic and franchising roles being transferred in England and Wales to the Department for Transport (the Department) and in Scotland to the Scottish Executive. Network Rail will take over its responsibility for monitoring TOCs' operational performance, while the Office of Rail Regulation (ORR) will take over its monitoring of some consumer protection issues.

TRANSFER OF SRA RESPONSIBILITIES TO SUCCESSOR BODIES

Network Rail – April 2005

- Monitoring of TOCs' operational performance
- Development and implementation of Route Utilisation Strategies

Department for Transport – June 2005

- Rail strategy and high level output specification
- Franchise specifications (including minimum standards for stations)
- Administration of rail freight grants
- Accessibility for disabled people

Department for Transport – July 2005

- Awarding of franchises and franchise and contract management (including monitoring of compliance with station standards)
- Rail procurement and performance
- Sponsorship of major rail investment projects
- Sponsorship of British Transport Police

Office of Rail Regulation – July 2005

- Enforcement of consumer protection matters within operating licences

Department for Transport – August 2005

- Financial monitoring
- Technical strategy for systems, signalling and rolling stock
- Advice to Ministers on safety, affordability, modelling and analysis
- Stakeholder management
- Community Rail
- Management of relationships with statutory bodies, Passenger Transport Executives and Transport for London
- Sponsorship of the newly reconstituted Rail Passengers Council

Scottish Executive – October 2005

- The same responsibilities in Scotland as those being transferred to the Department for Transport in England and Wales (see above)

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1   These are stations on the 'heavy rail' network excluding heritage lines, London Underground and other metropolitan underground stations.
2   Charges set for five-year control periods and regulated by the Office of Rail Regulation.

3 In *Action to improve passenger rail services* (HC 842, 1999-2000), we reported a fall in passenger satisfaction with the station environment since privatisation. In this report, we examine whether passengers are satisfied with station facilities and services and whether station requirements are being met, the barriers to station improvement and what is being done to overcome them. Our methods, which are described in Appendix 1, included on-the-spot surveys of a cross-section of 120 stations across Britain to assess the facilities and services provided. Developed in consultation with the SRA, Network Rail, the Association of Train Operating Companies (ATOC) and the Rail Passengers Council (RPC), and carried out in partnership with the RPC, our surveys covered the basic contractual requirements at franchised stations as well as the services and facilities that passengers might reasonably expect to find at stations.

Passenger satisfaction has improved a little, but remains low for many stations and for particular facilities and services

4 The SRA was required to secure increased levels of customer satisfaction with the quality of stations. There has been a little improvement in passengers' satisfaction over recent years. National Passenger Survey data show that satisfaction increased from 59 per cent to 63 per cent between 1999 and 2005, and that passengers have been consistently more satisfied with stations than on-train factors. They have been less satisfied with stations than with train punctuality and reliability, however, even where satisfaction with the latter has itself been as low as 59 per cent. Passengers are reasonably satisfied with the 95 largest stations, which carry more than half of all rail passengers each year, are staffed and have a range of facilities. They are least satisfied with the more than 2,000 medium-sized and small stations that are unstaffed, or are staffed for only part of the day, and that have few facilities.

5 Satisfaction with station facilities and services also varies. Passengers are most satisfied with passenger information, staff assistance at stations and, at staffed stations, connections with other forms of public transport and ticket-buying facilities. But levels of satisfaction are lowest for station facilities and services, the overall station environment, cleanliness, upkeep and repair, personal security, and station car parking. And, more than half of Britain's stations are not fully accessible to disabled people. Dissatisfaction with the station environment and station upkeep and repair can be attributed, in part, to most stations being over 100 years old. But there are also shortcomings in maintenance and repair arrangements, while the measures of station condition prescribed for Network Rail by the ORR focus on structural elements and take insufficient account of the station environment and its appearance – which are important for passengers. The ORR, working in consultation with the rail industry, has developed a Stations Code, expected to be introduced in April 2006, to clarify responsibilities for repairs and maintenance at franchised stations and encourage better management of them.

6 Research carried out for the Department in 1996 and 2002 suggests that improving personal safety would result in 15 per cent more journeys by train (and Underground), much of it outside peak hours. The SRA has supported national schemes promoting good practice in station and car park security, but the schemes have had limited impact because fewer than 5 per cent of stations are accredited and the schemes have not been targeted at stations with high levels of crime.

But there is a gap between rising passenger expectations and what the government and the industry can afford to spend and justify as value for money

7 The SRA, and before it the Office of Passenger Rail Franchising (OPRAF), set basic obligations for most franchised stations that largely reflected the facilities that existed at the time of privatisation rather than identified passenger needs. TOCs have generally complied with them, and Network Rail has reported an improvement in stations' structural condition since privatisation. A variety of contractual agreements set out Network Rail's and TOCs' respective roles and responsibilities, and there are various sources of funding for the maintenance, repair and renewal of stations, involving a complicated flow of taxpayer subsidies together with income from passenger fares and from commercial concessions such as shops and cafés at stations. None of the organisations involved collected information about the total amount of public

and private sector money spent on stations. We estimated that, in 2003-04, over £420 million was spent on day-to-day maintenance, cleaning and operations of stations, including £370 million by TOCs at franchised stations, and that Network Rail spent over £100 million renewing station assets including £65 million at franchised stations.

8 Network Rail has an incentive to invest in stations where this adds to the value of the network and the Regulatory Asset Base, against which it can borrow in the capital markets and for which it receives regulated charges from TOCs. Any increases in charges have to be met by increased public subsidies payable to TOCs. Other public sector organisations, such as Passenger Transport Executives, devolved administrations and Transport for London also invest taxpayers' money in stations to meet their objectives of improving public transport. TOCs have been incentivised to invest in stations through their franchise plans as part of their bids for franchises, and more generally have been expected to respond to commercial returns associated with attracting more passengers onto the railways.

9 But there is a cost associated with meeting higher station requirements and improving station facilities and services, while there are also other demands on the funds available. There is a gap between rising passenger expectations on the one hand, and value for money and what the government and the industry can afford to spend on the other. The SRA told us that, had it increased requirements, the result would have been a greater call on the public purse. The industry has focused much of its investment on larger stations, benefiting the largest number of passengers. The low level of passenger use at smaller stations makes it difficult to make a business case for investing in improved or additional facilities. For many station improvements, it is difficult to place a value on benefits in the form of improved passenger comfort and an improved station environment. Ultimately, there is a trade-off between the quality of station facilities and the level of passenger fares. The SRA considered that, while satisfaction with the value for money of the price of a train ticket has remained within a range of 41 per cent to 44 per cent over the period, the gradual rise in passenger satisfaction with stations supported its approach of maintaining and improving stations where funding and value for money considerations permitted, alongside the industry's key priority of improving train punctuality and reliability since the Hatfield derailment in October 2000.

10 At privatisation, the Department and OPRAF anticipated that TOCs would improve franchised stations beyond the basic requirements in response to commercial incentives to attract more passengers and secure higher revenues. But this approach has not delivered the outcomes envisaged. Intended for all new franchise agreements from 2004, the SRA has established a higher level of requirements in some respects and some new requirements. For example, while previous franchises required stations to be kept reasonably clean, the new franchise agreements require stations to be kept free from litter, bins to be emptied when full, all windows and glass to be kept clean and replaced when damaged, offensive graffiti to be removed within 24 hours and other graffiti to be removed within seven days. The SRA has also established financial penalties to encourage compliance. TOCs have expressed concerns to the Department for Transport, however, that the new requirements are too detailed and prescriptive. For future franchises, the Department is developing a more differentiated approach depending on the nature of the franchises. The SRA has also recently set out a Community Rail Development Strategy to guide the industry in exploiting the potential for developing local and rural railways. The Strategy envisaged a separate designation of Community Rail Lines distinct from the rest of the rail network, with standards, including those for 390 local and rural stations, which were more appropriate to the lines' level of usage. This would be a way of reducing costs on lines that were underused and required unaffordable levels of subsidy. With the abolition of the SRA, it will be for the Department to take this strategy forward and consider the case for establishing varying standards at stations on the rest of the network.

11 Although we estimated that around £148 million was spent by the industry on station improvements in 2003-04, funding constraints constitute the biggest barrier to further improvement. Having originally envisaged spending £225 million on new facilities at 980 stations in its Modern Facilities at Stations programme, the SRA shrank the programme to £25 million and 68 stations to match the amount of money the Department made available. Funding constraints also prompted the SRA to halt funding for new projects under its Rail Passenger Partnership (RPP) programme in January 2003, after the SRA had spent £20 million supporting 32 station improvement schemes.

12 Availability of funding is also a factor in meeting the requirements of the Disability Discrimination Act 1995. The Act requires the provision of accessible services across all industries. In the context of stations, Network Rail and the TOCs that run franchised stations were required, by October 2004, to have made reasonable provision at their respective stations for disabled people to travel. The SRA took the lead in responding to the requirements of the Act, but estimated that it would cost the industry over £1.5 billion to make all stations fully accessible, and progress has been slow. By March 2005, the SRA had drawn up proposals to spend £374 million on accessibility improvements over the next ten years, and had issued a draft accessibility strategy for consultation with the industry on the priorities and proposed criteria for allocating the money available.

13 There are also increasing passenger capacity pressures at some managed stations and large franchised stations during peak periods. Britain's stations made possible more than one billion passenger journeys in 2003,[3] the most since 1961 (when there were around 4,700 stations[4]). But increasing capacity is costly. Network Rail has estimated that essential upgrading up to 2016 at 11 major stations might cost over £2 billion, much of which would require funding from taxpayers.

But there are also structural barriers to the improvement of stations

14 Although the SRA did not have a strategy to guide the industry, considerable investment has been attracted into the improvement of stations. But, more funding and support is needed from the private sector to meet passenger expectations. The industry and other interested parties told us that obstacles are discouraging investment in station improvements:

■ Network Rail has sought to ensure that the risks of new works are fully identified and that it does not take on risks for which it is not funded. Promoters and funders of improvement projects might, therefore, be required to bear all of the risks and pay what might be the considerable cost of insuring against them. Some stakeholders and some members of our expert panel considered that Network Rail's procedures for approving improvement projects are complicated and inflexible, and its fees for its work on station enhancements high. Some expert panel members also considered Network Rail's interest in developing franchised stations to be insufficient as it does not have corporate targets in this area;

■ two-thirds of TOCs told us that the short length of their franchise term – typically seven years – discouraged them from investing more in stations as the investment may take ten to twenty years to achieve payback. And a TOC's incentives to invest in a station diminish as its franchise term progresses. The SRA considered, however, that TOCs' investments are protected because they receive the balance sheet value of their assets at the end of their franchise term; and

■ there is a funding gap for some station improvement projects. Network Rail has undertaken improvements where the SRA has agreed that they contributed to the long-term value of the network, and consequently the ORR has permitted them to be added to Network Rail's Regulatory Asset Base (RAB), against which it can borrow in the capital markets. As increases in access charges would have to be met by increased public subsidy, however, the SRA has been reluctant to support further increases to the RAB at a time when the government's emphasis has been on affordability.

3   National Rail Trends, Yearbook 2003-04, Strategic Rail Authority.
4   British Rail Yearbook, 1963.

15 After previous unsuccessful attempts, the Department and the SRA recently started to work in a concerted way to address some of these issues and, in particular, to explore more innovative ways of bringing investment into stations from outside the rail industry. As part of the Rail Review in 2004, the Department received submissions from within and outside the industry that included ideas for improving the management and development of stations but deferred these matters while it concentrated on the higher level architecture of the industry. The SRA's Community Rail Development Strategy seeks to promote a local community approach in the running and improvement of local and rural stations, involving volunteers developing community uses for a station, making it easier for third parties to invest in station improvements and improving the station's integration with the local community. Network Rail has proposed setting up an Industry Risk Fund to better allocate and share risks associated with improvement projects, including at stations. In November 2004, the SRA set up an industry working group, which includes consideration of a range of options for attracting private finance into station improvements, one of which is the setting up of Private Finance Initiative station companies, involving consortia of banks, design and construction companies, facility managers and commercial property developers. Station companies might design, finance and project manage station development schemes using the Private Finance Initiative approach as part of urban regeneration packages based on business cases wider than the industry norm. Bundling some of these stations with others in a locality, along a route or franchise, or regionally might allow development gains to be shared across other stations.

16 But such solutions would not be straightforward, requiring major changes to the current arrangements for station management, maintenance and repair and service standards to be agreed between station companies, Network Rail and TOCs. They would also have implications for Network Rail's future funding, as its funding plans are based upon securing commercial property gains that would potentially be lost if station companies were to be established. With the abolition of the SRA, it will be for the Department for Transport to take these ideas forward. The Department has not established within its new Rail Group, however, specific responsibility for taking forward the work on stations that it is inheriting from the SRA.

RECOMMENDATIONS

17 With the forthcoming transfer of the SRA's strategic, franchising and operational monitoring roles, the following recommendations are directed at the Department and the other bodies that now have responsibilities for stations.

i   Building upon the SRA's Modern Facilities at Stations and Community Rail Development Strategy, the Department should work with the industry to develop agreed minimum requirements for different categories of stations and agree on how and when these levels will be met where stations currently fall short. The requirements should be made clearly understandable to passengers, for example through a star rating system, so that passengers know what they can reasonably expect to find at different stations.

ii The Department should encourage greater involvement of passenger representatives in monitoring TOCs' performance at franchised stations and their compliance with the Code of Practice on access for people with disabilities, and publicise summaries of the results.

iii Once they have established their new measure of station maintenance and appearance, Network Rail and the ORR should make readily available to passengers the summary results of the annual inspections on which the measure is based.

iv The Department should work with Network Rail and TOCs to raise passenger awareness of, and support for, the Secure Stations and Safer Parking Award schemes and encourage more TOCs to participate in the schemes, particularly for stations where there are high levels of crime.

v   Given the slow progress to date in responding to the Disability Discrimination Act 1995, the Department should quickly press on with the results of the SRA's consultation on its draft accessibility strategy and carry out three-yearly reviews of progress in delivering the priorities for improving accessibility by 2015.

vi Given third parties' concerns that Network Rail's fees for its work on station enhancements are high, the ORR should assess the case for organisations that promote and fund improvements to carry out some or all of the work themselves to save money, and tackle the barriers to entry where this would be more efficient.

vii The ORR, in consultation with Network Rail, the Department and the industry, should set out and make available on the ORR's and Network Rail's websites the steps that Network Rail should follow in its engagement with other organisations in considering their proposed station improvement projects and develop corporate targets for Network Rail to carry out and complete each stage of the process within specified periods of time. The ORR should include both the process and the targets in the new Stations Code.

viii The Department should, in consultation with the industry, set out its vision for stations over the next ten years, including the role of private sector investment in stations alongside the government's priorities for its own funding of station maintenance and improvements. It should, in particular, consider the capacity pressures that are anticipated over the next ten years and how they might best be overcome by government, the rail industry and other partners.

ix Building on the work of the SRA, the Department should work with the industry to tackle the barriers to bringing investment into stations from outside the rail industry. It should respond to outside interest in evaluating the range of options that have been proposed, including extended franchise periods and setting up of station companies involving private sector consortia, to assist in attracting greater investment in stations, for example, as part of wider urban regeneration packages. As part of its consideration of options, the Department should examine the scope to simplify the currently complicated contractual and funding arrangements for stations, to achieve efficiencies and make the funding of stations more transparent.

PART ONE
Introduction

1.1 Britain's 2,507 railway stations[5] made possible more than one billion passenger journeys in 2003,[6] the most since 1961 (when there were around 4,700 stations.[7]) Network Rail owns these stations,[8] together with all of the tracks, bridges and signals on the railway network. The age and size of stations vary greatly:

■ **Age**: most stations are over 100 years old and 15 per cent are listed buildings, which are subject to restrictions on how they may be maintained and improved. Fifty-six new stations have opened since 1994.

■ **Size**: while each of the 400 smallest stations handles fewer than 25 passengers a day, each of the seven[9] busiest stations handles between 120,000 and 382,000 passengers a day. Network Rail groups its stations into six categories, according to their size and role. **Figure 1** shows that the top 28 stations handled over 40 per cent of the average daily number of passengers using the network in 2003-04, while the 1,200 smallest, unstaffed stations handled only two per cent.

| **1** | Average daily passenger flows at stations owned by Network Rail, by category, 2003-04 |

T⌧
1,200 smallest, unstaffed stations handled only two per cent of daily passengers.

Category	Description	Number of stations	Percentage of stations	Average daily passengers[1]	Percentage of passengers	Examples
A	National hub	28	1	90,000	42	Birmingham New Street, London Waterloo
B	Regional hub	67	3	13,000	15	Carlisle, Huddersfield
C	Important feeder	243	10	5,000	20	Leicester, Swindon
D	Medium staffed	298	12	2,500	13	Carmarthen, Penzance
E	Small staffed	678	27	700	8	Goole, West Dulwich
F	Small unstaffed	1,193	47	100	2	Altnabreac, Whitby
	Total	2,507	100	2,350	100	

Source: National Audit Office analysis of Association of Train Operating Companies (ATOC) data

NOTE

1 Passengers arriving, departing and interchanging.

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5   These are stations on the 'heavy rail' network excluding heritage lines, London Underground and other metropolitan underground stations.
6   National Rail Trends, Yearbook 2003-04, Strategic Rail Authority.
7   British Rail Yearbook, 1963.
8   Network Rail holds either the freehold or a long term lease on its stations. In addition, it has a property interest in five stations owned by third parties – Chandlers Ford, Horwich Parkway, Prestwick International, Stansted Airport station and Warwick Parkway.
9   Euston, Kings Cross, Liverpool Street, London Bridge, Paddington, Victoria and Waterloo.

A variety of contractual agreements set out roles and responsibilities at stations

1.2   Network Rail is responsible for repairs and renewals at all of the stations it owns, such as repairing clocks on platforms, electronic passenger information systems and platform surfaces and footbridges, and replacing fixed seating on platforms and lifts that have come to the end of their lives. It carries out repairs and renewals within expenditure limits and against annual targets for the condition of stations set for it by the Office of Rail Regulation (ORR).

1.3   **Figure 2** shows the contractual agreements between Network Rail and Train Operating Companies (TOCs), and between TOCs, that set out the organisations' respective roles and responsibilities at stations:

■   acting as a Station Facility Owner (SFO), Network Rail operates and manages 17 of the largest stations,[10] known as managed stations, where it is also responsible for day-to-day maintenance, cleaning and operations. Network Rail operates these stations because of their size and strategic

importance to the rail network, as well as the range of TOCs that use them to provide long-distance, regional and commuter services. Five TOCs, for example, run services to and from Manchester Piccadilly. Access agreements between Network Rail and the 21 TOCs[11] that use these stations specify the services and amenities that Network Rail is required to provide at its managed stations, and how TOCs will be charged for using them;

■   Network Rail leases the remaining 2,490 stations, usually for a period of seven years, to the 22 TOCs that act as SFOs[12] at what are known as franchised stations. At each franchised station a single TOC acts as the SFO, responsible for day-to-day maintenance (such as painting seats and walls), keeping the station and its facilities clean and tidy, and operations, such as providing travel information. Network Rail's obligations for repairs and renewals are set out in station access conditions attached to station leases. Under the terms of its lease agreement, the SFO pays rent (including regulated charges[13]) to Network Rail to meet the costs of repairs and renewals and to provide a return on Network Rail's assets; and

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2   Contractual agreements setting out Network Rail's and TOCs' roles and responsibilities at stations

Different contractual agreements set out Network Rail's and TOCs' roles and responsibilities at stations.
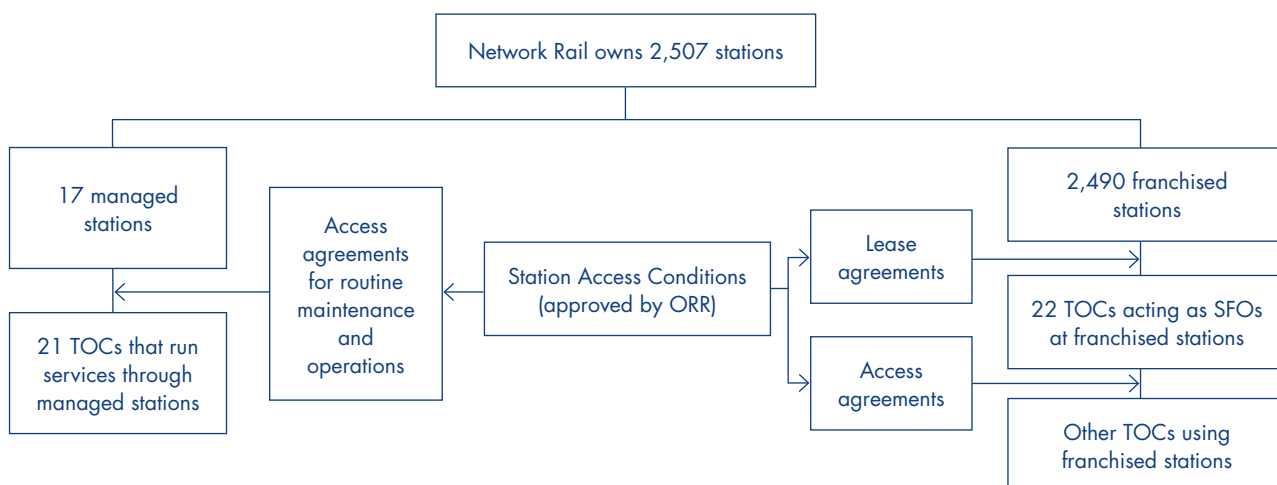
Source: National Audit Office

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10   Birmingham New Street, Edinburgh Waverley, Gatwick Airport station, Glasgow Central, Leeds, Liverpool Lime Street, Manchester Piccadilly, and, in London, Cannon Street, Charing Cross, Euston, Fenchurch Street, Kings Cross, Liverpool Street, London Bridge, Paddington, Victoria and Waterloo.
11   Appendix 2 lists the 24 TOCs in operation as at May 2005.
12   The Gatwick Express and Virgin Cross Country TOCs do not manage stations.
13   Charges set for five-year control periods and regulated by the Office of Rail Regulation.

■ other TOCs may run passenger train services that call at franchised stations. Around 800 franchised stations are used by more than one TOC. For each of these stations there are separate access agreements between the SFO and other TOCs using the station, each TOC paying the SFO a contribution towards the costs of day-to-day maintenance, cleaning and operations based on the TOC's share of the number of passenger train departures running from the station.

1.4 Network Rail operates under a network licence, granted by the ORR, which confers its stewardship obligations in respect of stations. A TOC acting as station operator must also hold a station operator's licence. The licence requires, for example, TOCs' compliance with ticket office opening hours specified in the cross-industry Ticketing and Settlement Agreement.

The Strategic Rail Authority set standards, facilities and services required at franchised stations and helped fund station operations and improvements

1.5 The Strategic Rail Authority (SRA) has had a key role to play in stations, since the government established it in February 2001 to deliver strategic leadership to the railway industry. It has awarded passenger rail franchises to TOCs and managed the franchises.[14] It has also been responsible for consumer protection matters, such as quality of service and accessibility, and has been required by the Directions and Guidance set out for it by the Secretary of State for Transport in April 2002[15] to secure improved levels of customer satisfaction with the quality of stations. For those TOCs that act as SFOs at franchised stations, the SRA:

■ inherited from its predecessor, the Office of Passenger Rail Franchising (OPRAF), minimum standards, including facilities and services such as information displays, telephones and waiting areas, for franchised stations, and negotiated into franchise plans TOCs' commitments to station improvements;[16]

■ monitored compliance with requirements and commitments to make improvements; and

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14   Except for Merseyrail Electrics, which Merseytravel Passenger Transport Executive manages.
15   Reissued in October 2004 with the same obligation.
16   An improvement, or enhancement, is defined as something that increases the functionality, accessibility or number or level of services provided to passengers at a station.

■ set out, in a Code of Practice, guidance on train and station services for disabled passengers, and approved TOCs' policies on station accessibility.

1.6 The SRA provided subsidies to most[17] TOCs through their franchise agreements. In 2003-04, it paid TOCs £2 billion in subsidies, part of which funded the running costs incurred by TOCs at stations. It also provided TOCs, Network Rail and others with funding for station improvements.

1.7 Under the Railways Act 2005, the government is abolishing the SRA and transferring its strategic and franchising roles in England and Wales to a new Rail Group within the Department for Transport. These roles in Scotland are being transferred to the Scottish Executive. Network Rail will take over the SRA's responsibility for monitoring TOCs' operational performance. The ORR will take on the SRA's enforcement responsibilities on consumer protection matters dealt with in operating licences. Responsibility for related activities, such as the monitoring and approval of policies mentioned in licences, will be divided between the ORR and the DfT.

TRANSFER OF SRA RESPONSIBILITIES TO SUCCESSOR BODIES

Network Rail – April 2005

■ Monitoring of TOCs' operational performance

■ Development and implementation of Route Utilisation Strategies

Department for Transport – June 2005

■ Rail strategy and high level output specification

■ Franchise specifications (including minimum standards for stations)

■ Administration of rail freight grants

■ Accessibility for disabled people

Department for Transport – July 2005

■ Awarding of franchises and franchise and contract management (including monitoring of compliance with station standards)

■ Rail procurement and performance

■ Sponsorship of major rail investment projects

■ Sponsorship of British Transport Police

Office of Rail Regulation – July 2005

■ Enforcement of consumer protection matters within operating licences

Department for Transport – August 2005

■ Financial monitoring

■ Technical strategy for systems, signalling and rolling stock

■ Advice to Ministers on safety, affordability, modelling and analysis

■ Stakeholder management

■ Community Rail

■ Management of relationships with statutory bodies, Passenger Transport Executives and Transport for London

■ Sponsorship of the newly reconstituted Rail Passengers Council

Scottish Executive – October 2005

■ The same responsibilities in Scotland as those being transferred to the Department for Transport in England and Wales (see above)

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17   Gatwick Express, GNER, Midland Mainline and Thameslink paid, rather than received subsidies from, the SRA for these franchises. Scottish Ministers subsidise First ScotRail.

OTHER ORGANISATIONS INVOLVED IN STATION-RELATED ACTIVITIES

Specifying station requirements and funding station improvements

■ The **Office of Rail Regulation** sets Network Rail targets for the structural condition of all of its stations, which is measured by a station condition index.

■ In six of Britain's major conurbations,[1] **Passenger Transport Executives (PTEs)** have co-signed and funded, with the SRA, TOCs' franchise agreements in their areas (although the Railways Act 2005 has replaced the franchise co-signatory powers with a requirement for the Secretary of State for Transport to consult PTEs about proposed franchises). They also set station requirements and invest in capital improvements at the 545 stations in their areas. In the Merseyside conurbation, the Merseytravel PTE lets train services as a local concession. The **Scottish Executive** has provided Directions and Guidance to the SRA on the specification and management of franchises, and funds the franchise agreement in Scotland. The **devolved administrations** in **Scotland and Wales**, and **Transport for London**, also fund station improvements.

■ Under the Railways Act 2005, the government is delegating more financial responsibility and some additional powers to the devolved administrations and PTEs, so that more decisions can be taken locally. For example, the Scottish Executive will specify, let, finance and manage the Scottish franchise and the National Assembly for Wales will co-sign the Welsh franchise, while PTEs will be able to fund top-up agreements for higher standards at stations.

■ **Local authorities** provide some capital funding for station improvements from their Local Transport Plans.

Economic and health & safety regulation

■ The **ORR** approves access conditions and sets the level of regulated charges for TOCs to use managed or franchised stations.

■ The ORR grants licences (or exemptions) to the operators of railway facilities, including stations. The licences set conditions covering consumer protection matters, including accessibility and ticketing issues, which are currently monitored by the SRA. One of the conditions is that the station operator must establish a Disabled People's Protection Policy (DPPP) setting out the procedures and policies in place to help disabled people. The DPPP had to have due regard to the SRA's Code of Practice for protecting the interests of disabled rail users and be approved by the SRA.

■ Under Network Rail's network licence, the ORR considers Network Rail's proposals for disposal of land, including at or around stations, and approves disposals where appropriate.

■ The **Rail Safety and Standards Board**, set up by the rail industry in 2003, promotes improvements in health, safety and passenger security on the railways, including at stations. Under the Railways Act 2005, the ORR is absorbing the Health and Safety Executive's responsibilities for regulating rail safety.

Passenger security

■ With around 2,500 police officers and 940 other staff including a growing number of Police Community Support Officers, funded by Network Rail, Transport for London, Freight Operating Companies and TOCs, the **British Transport Police** provides a policing service to rail operators, their staff and rail users.

Promoting and sharing good practice

■ The **Association of Train Operating Companies** (ATOC), TOCs' representative industry body, promotes closer working among TOCs to meet their obligations, including those for stations. TOCs follow the voluntary National Rail Good Practice Guide which sets out key facilities that should be provided at stations.

■ Set up by Parliament and funded by the SRA, the **Rail Passengers Council** (RPC) is the voice of rail passengers. Its objective is to protect and promote passengers' interests, including at stations. Under the Railways Act 2005, it will operate as a single national body, reporting to the Secretary of State for Transport, and its formal structure of regional committees will be dissolved.

NOTE

1 Greater Manchester, South Yorkshire, Strathclyde, Tyne & Wear, West Midlands and West Yorkshire.

Source: National Audit Office

Other organisations also play a part

1.8 Other public and private sector organisations have also played a part in station-related activities. Their involvement has included specifying station requirements and funding station improvements, providing economic and health and safety regulation, ensuring passenger security at stations, and promoting and sharing good practice.

Station maintenance, repairs and renewals are funded from a variety of sources

1.9 **Figure 3** shows that there are various sources of funding for the maintenance, repair and renewal of stations. TOCs' franchise subsidies from the SRA, passenger fares, and income from commercial concessions, such as shops and cafés on stations, have helped to fund the cost of running and maintaining stations. These and other sources, such as Passenger Transport Executives, other parts of government and the community sector, have also funded station improvements.

1.10 None of the organisations involved collected information about the total amount of public and private sector money spent on stations. The SRA's franchise agreements with TOCs, in particular, do not disaggregate the funds available for station maintenance, repair and renewal from the subsidies intended for the provision of train services. We therefore carried out surveys of TOCs, PTEs and local authorities, analysed SRA and Network Rail data, and made enquiries of the other organisations involved in stations to collect nationwide information about station-related income and expenditure in 2003-04. From our surveys and our enquiries **(Figure 4)** we estimated that:

■ over £420 million was spent on day-to-day maintenance, cleaning and operations of stations, including £370 million by TOCs acting as SFOs at franchised stations;

■ Network Rail spent over £100 million on renewing life-expired or irreparably damaged assets at stations, including £65 million at franchised stations. It funded these works from the £217 million in rent and regulated charges it received from TOCs; and

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3 Funding flows for the maintenance, repair and renewal of stations

Station maintenance, repair and renewals are funded from a variety of sources.
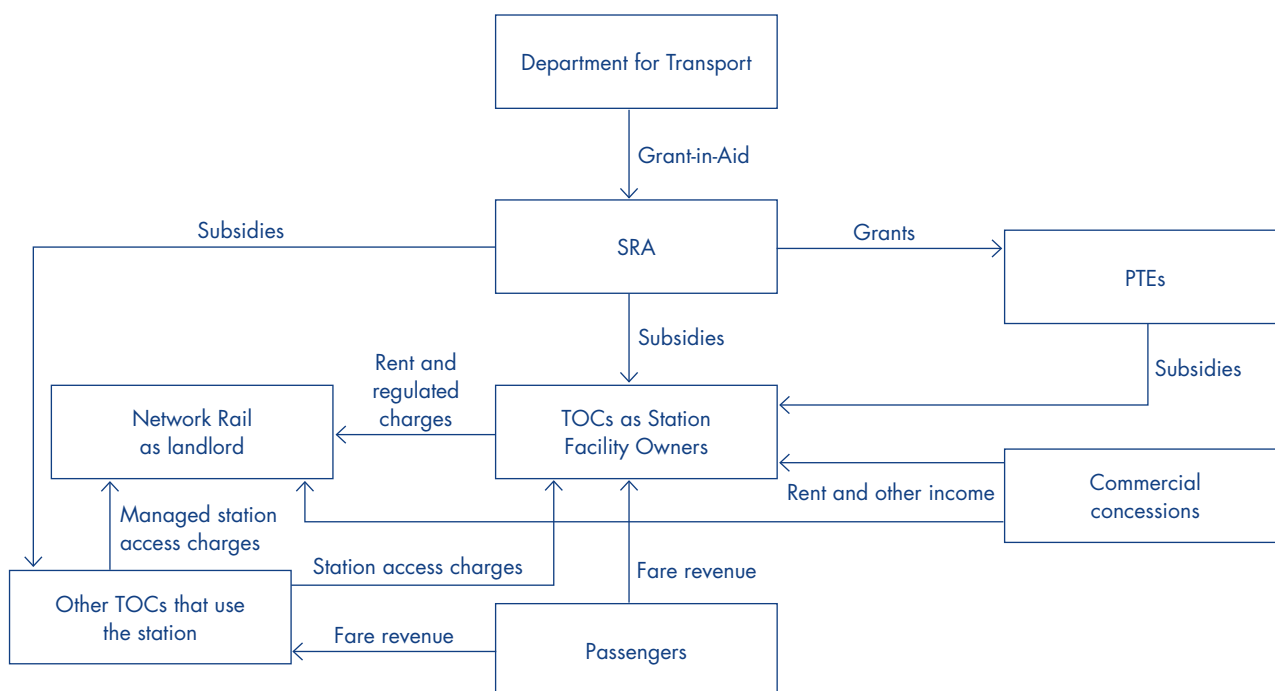
Source: National Audit Office

- around £148 million was spent on station improvements, of which £38 million was spent by Network Rail at managed stations, while TOCs spent £35 million, the SRA £25 million and the devolved administrations, PTEs, Transport for London, local authorities and other bodies £50 million at franchised stations.

There is no overarching strategy or single organisation leading on the modernisation of Britain's stations

1.11 The SRA developed rolling stock and freight strategies, in response to requirements set out for it by the Secretary of State for Transport in its Directions and Guidance. In 2002 it set out a vision of a railway where stations were safe and welcoming, with adequate parking and integration with other modes.[18] But it did not have, nor was it required to have, a strategy for stations. And with responsibility for stations spread across various organisations, there is no single source of leadership to guide the industry's investment in stations.

4	Expenditure on stations, 2003-04		

Around £675 million was spent on station maintenance, operations, renewals and improvements in 2003-04.

Category of expenditure	**£ millions**		
	All stations	Managed stations	Franchised stations
Maintenance, cleaning and operations	423	53	370
Renewals	104	39	65
Sub total	*527*	*92*	*435*
Improvements	148	38	110
Total	**675**	**130**	**545**

Source: National Audit Office surveys of TOCs, PTEs, and local authorities, analysis of SRA and Network Rail data and NAO enquiries of the devolved administrations

NOTE

The figures presented for expenditure on maintenance, cleaning and operations and improvements at franchised stations are extrapolations from NAO survey returns, based on the proportion of all stations covered by the returns.

What we examined

1.12 In our August 2000 report on *Action to improve passenger rail services* (HC 842, 1999-2000), we pointed out that passenger satisfaction with the station environment had fallen since franchising had begun in the mid-1990s. In this report, we examine what has been done since then to improve passengers' experience at stations. We examine:

- station requirements and whether they are being met;

- whether passengers are satisfied with station facilities and services; and

- the barriers to the improvement of Britain's stations.

1.13 As part of our study, we carried out on-the-spot surveys of 120 stations in Britain to assess the facilities and services provided. Developed in consultation with the SRA, ATOC, Network Rail and the Rail Passengers Council (RPC), and carried out in partnership with the RPC, our surveys covered the minimum requirements that TOCs are required to meet at franchised stations. But the surveys also went beyond those requirements to assess the provision and quality of station services and facilities, reflecting what passengers might reasonably expect to find at stations. We also visited Germany and Switzerland to obtain comparative information, and carried out postal surveys of TOCs, PTEs and local transport authorities. A detailed explanation of our methods is at Appendix 1.

18   Foreword to the SRA's 2002 Strategic Plan.

PART TWO

Many stations meet basic requirements

2.1   What passengers require from a station varies, depending on the type of passengers using the station, how passengers get to and from the station, and passengers' individual circumstances. Leisure travellers, for example, have more need for information about stations and their facilities, such as toilets, waiting rooms, ticket machines and luggage trolleys, than regular commuters who are more familiar with their stations, spend shorter periods of time at them and are less likely to be travelling with luggage. Most passengers, however, need good information about the times of train services and whether the services are running on time or affected by delays. Passengers with disabilities or accompanied by babies or small children have other specific needs, such as easy access to the station and its platforms and toilets and the trains themselves.

2.2   There is no single, authoritative definition within the rail industry of what passengers want and need from stations, and what value they place on satisfying them. Research carried out for Railtrack in 1999, and more recently by Network Rail, suggested that passengers' core needs at a station were for the station to be secure and for staff and good quality information to be available **(Figure 5)**. The research also pointed to a number of higher level needs, such as ease of navigation around stations and the availability of facilities. Passengers also wanted to feel welcome and cared for, reassured about the arrival of their trains and proud of their station.

5	Summary of Railtrack and Network Rail research into what passengers want and need from stations

Passengers' core needs are for the station to be secure and to provide good quality information, while passengers also want to feel welcome and cared for at the station.

What passengers want

Passengers want to feel:

- welcome and cared for;
- reassured about the status of their train services;
- secure from any threat;
- proud of their station;
- that help can be obtained if needed; and
- able to use their time at the station productively.

What passengers need

Higher level needs

Retail and catering

Environment

Facilities

Navigation

Staff

Information

Security

Basic needs
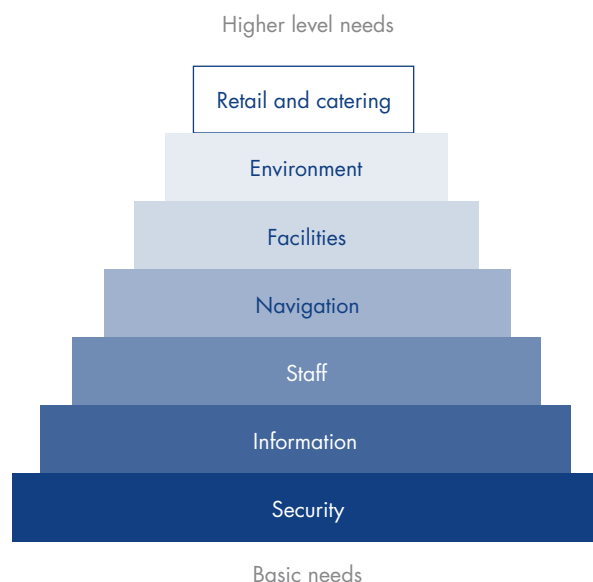
Source: Network Management Statement, Railtrack 1999, and information from Network Rail

2.3 More recently, in June 2003 as part of its Modern Facilities at Stations (MFAS) programme, the SRA established specifications for fewer facilities at small stations than at larger, more important stations **(Figure 6)**. Each type of facility is supported by more detailed specifications, such as the size of waiting rooms and the number or type of toilets that should be provided. In drawing up its specification over the period 2001 to 2003, the SRA consulted TOCs, PTEs, the ORR, the Scottish Executive and the National Assembly for Wales. But there was limited consultation with passengers and representative rail passenger groups.

2.4 Against this background, this Part of the report examines the obligations that Network Rail must meet in maintaining the structural condition of its stations, the station requirements that Network Rail and Station Facility Owners must meet in the routine maintenance and operation of stations that they manage, and whether these are met.

Network Rail has reported an improvement in the structural condition of its stations, but there are shortcomings in how their condition is assessed and measured

2.5 Network Rail carries out station repairs and renewals within five-yearly expenditure limits and against annual targets for the structural condition of all of its stations set for it by the ORR. Structural condition is measured by means of an index. Network Rail employs inspectors to collect the relevant condition data and, as a requirement of its network licence, also commissions independent reporters to audit the process.

2.6 The assessments take account of the condition of up to 34 types of asset at a station, such as platforms, canopies, footbridges, lifts and stairs. The inspectors score the condition of assets on a scale of 1 to 5, where 1 corresponds to "as new" and 5 indicates "needing immediate replacement".

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6   The SRA's specification of facilities by station category for the MFAS programme

In its MFAS programme, the SRA specified fewer facilities at small staffed stations than at larger, more important stations.

Type of facility	Regional hub/ important feeder	Medium staffed	Small staffed
Waiting rooms – with hard seats, heating, anti-slip flooring, glazing	✓	✓	✓
Waiting shelter – with seats	✓	✓	✓
Toilets	✓	✓	✗
with **baby changing facilities**	✓	✓	✗
Electronic passenger information systems – showing platform departures and departure summary, situated in/on ticket hall/ concourse, waiting rooms, station entrance and platforms	✓	✓	✓
Public address systems – in ticket hall/concourse, subways/ footbridges, waiting rooms, platforms	✓	✓	✓
Closed circuit television – in station approach/entrance, ticket hall/concourse, subways, waiting rooms/shelters, toilet entrances, platforms, car parks, transport interchanges	✓	✓	✗
Help Point - if the station is monitored by CCTV from a central control room	✓	✓	✗

Source: The SRA's MFAS specification, June 2003

2.7 Network Rail inherited Railtrack's target to sustain the index, both in aggregate and within each station category, at between 2.1 and 2.3 over the period 2001 to 2006. The index indicated an improvement from 2.7 at the time of privatisation in 1994 to 2.2 in 2001, where it remains. A key factor in this improvement was the Station Regeneration Programme run by Railtrack from 1996 to 2001, in which the Department for Transport provided £950 million to clear a backlog of defects at 2,130 stations.

2.8 From a passenger perspective, there are shortcomings in the index:

■ for most stations, the index is not up-to-date. One in five stations are inspected each year, as part of a rolling programme to visit each station every five years, and the overall station condition index is calculated as an average of the most recent results for all stations. The actual condition of most stations might therefore be better or worse than indicated by the index; and

■ the index focuses on structural elements rather than the station environment and its appearance, which are also important for passengers. The index might indicate that the condition of stations is being maintained or improved, but be out of line with passengers' perceptions about whether stations are pleasant or unpleasant to use. The ORR and Network Rail are developing revised station condition measures. The revisions will take account of Network Rail's primary focus on the structural condition of stations, and the SFO's focus on facilities that have a direct impact on passengers' experience and perception of the station environment. The new measures will be subject to consultation with ATOC and others.

The ORR has developed a Stations Code to address industry concerns about unclear responsibilities for carrying out maintenance, repairs and renewals

2.9 TOCs pay Network Rail more than £200 million a year in rent and regulated charges, around a third of which Network Rail spent on repairs and renewals at franchised stations in 2003-04. Some TOCs told us that they would like greater transparency as to where Network Rail spends this money. Our survey of TOCs also found dissatisfaction with the quality and timeliness of Network Rail's repairs and renewals work. Network Rail has agreed targets with SFOs to complete work within specified timescales, depending on the nature of the work. It has targets for addressing emergency faults, such as collapsed structures, within 24 hours, urgent faults within seven days and non-emergency minor works within 28 days. Eighteen TOCs told us that they were fairly or very dissatisfied with the speed of response, however, and five were fairly or very dissatisfied with the quality of the work. Where Network Rail fails to carry out repairs and renewals within agreed timescales, TOCs may carry out the work themselves and claim against Network Rail for the costs. Network Rail told us that it knew of no cases where this had happened. TOCs may also seek penalty payments from Network Rail for delays in carrying out repairs in critical areas, such as lifts and help points. Network Rail told us that there were 400 such cases in 2004-05, in which it paid TOCs penalties totalling £102,000.

2.10 Network Rail told us that it had some concerns about how well TOCs have discharged their obligations for maintaining station assets, pointing out that there have been occasions where TOCs have not carried out appropriate routine maintenance, and where Network Rail has therefore had to renew an asset earlier than should have been necessary. Network Rail also told us that TOCs have, on occasion, reported faults to Network Rail which were the TOCs' responsibility to repair.

2.11 In response to industry concerns, and after consulting the industry in spring 2004, the ORR has developed a Stations Code to clarify responsibilities for repairs and maintenance and encourage better management of stations. The Code is intended to ensure that Network Rail and TOCs take responsibility both for keeping their respective station assets in good condition and for repairing assets promptly. It also seeks to simplify the contractual matrix at stations (Figure 2), by replacing separate station access agreements with a single code for all the stations managed by a TOC. The draft Code has received broad industry support, but would increase TOCs' maintenance, repair and renewal responsibilities, so an adjustment in station access charges between Network Rail and TOCs would be needed. The Code is therefore unlikely to be introduced until April 2006, when the ORR expects to conclude a review of station access charges.

Original franchises set basic, broadly defined requirements for franchised stations, but many TOCs have additional obligations

2.12 When it let the original franchises between 1996 and 1997, the Office of Passenger Rail Franchising (OPRAF) placed basic obligations on TOCs in respect of franchised stations **(Figure 7)**. OPRAF expected that TOCs would go beyond these basic requirements and improve the quality of stations, in response to commercial incentives to attract more passengers onto the railways. OPRAF set the obligations not in response to identified passenger needs, but largely by reference to what already existed at most stations at the time of privatisation. Where a station had facilities that went beyond the basic requirements when the railways were privatised, TOCs acting as Station Facility Owners were obliged to continue to provide them.

2.13 There is a cost associated with meeting station requirements and there are other demands on the funds available, particularly the need to improve the punctuality and reliability of train services. Under the terms of the Transport Act 2000, the SRA was required to secure value for money from its expenditure, including that part of its annual subsidies to TOCs intended to pay for the upkeep and operation of franchised stations. It would not have represented value for money to have increased station requirements, particularly for stations used by a small number of passengers, and would have resulted in a greater call on the public purse. The SRA therefore continued with the approach set by OPRAF, in the franchises it awarded up until 2004. Consequently, around half of franchised stations remain subject to the basic obligations laid down by OPRAF.

7	Examples of station requirements set out in original franchise agreements

The original franchises, let between 1996 and 1997, set out basic, broadly defined requirements for franchised stations.

Area	Franchise requirements
Communication & information	The station should have a public address system, public information displays and/or a freephone link/help point to provide passenger information.
	There should be a public telephone in the station or within the footprint of the station, or the station should display the location of the nearest telephone.
	The station should display information on whom to contact with complaints/comments; the location and telephone number of the nearest taxi rank/operator; and the National Rail Enquiries telephone number.
Security	The station should have adequate lighting during train running hours after nightfall.
Facilities for passenger comfort	The station should have a weather-proof, covered waiting area or other adequate shelter that offers passengers reasonable protection from the weather, with seating where reasonably practicable, and similar facilities on station platforms.
Accessibility	The station should provide information on the nearest station that is accessible to mobility-impaired passengers.
Navigation	Where a station has two or more platforms, it should display customer information or directional signs indicating the destinations served by trains calling at each platform.
Environment	The station should be kept reasonably clean.

Source: Strategic Rail Authority

Many TOCs have additional obligations in excess of basic requirements

2.14 At many franchised stations covered by franchise agreements let before 2004, TOCs acting as SFOs have additional obligations that go beyond the basic requirements:

■ at 545 stations, TOCs have to meet requirements set by Passenger Transport Executives that are more detailed and specific than the basic requirements set by OPRAF or the SRA. These requirements are set out in an additional schedule to the TOCs' franchise agreements, and are therefore contractually binding;

■ all 24 TOCs have made voluntary commitments relating to their franchised stations under their Passenger Charters. Commitments vary between TOCs. Many TOCs undertake to publish punctuality and reliability data at their stations, for example, while others simply promise to have cleaner stations; and

■ all TOCs follow the voluntary National Rail Good Practice Guide, which sets out what should be available at stations where passengers change trains, such as information, trained staff, heated and well lit waiting areas, toilets and refreshments. The guide demonstrates TOCs' commitments to serving the needs of their passengers, although there is no independent mechanism for checking TOCs' compliance with it.

2.15 During the awarding of, and any subsequent revisions to, franchises OPRAF and later the SRA encouraged TOCs to commit themselves in their franchise plans to invest in station improvements. Some franchise plans specified the improved facilities and services that TOCs would provide at particular stations, while others quantified how much would be spent on them. The most common improvements involved installation of closed circuit television systems and better passenger information systems.

TOCs generally comply with basic requirements and other commitments for franchised stations

2.16 In our 2000 report *Action to Improve Passenger Rail Services* (HC 842 1999-2000), we noted that OPRAF, the SRA's predecessor body, had little direct knowledge of the quality of service experienced by passengers. OPRAF undertook very little direct verification of the services delivered, considering that it would be prohibitively expensive to employ station inspectors. It preferred to rely on self-certification by TOCs. Under the SRA, TOCs continued to take the lead in assessing quality of service at their own franchised stations, reviewing the condition of their stations on a cyclical basis depending on the stations' size and importance. The SRA also, however, carried out its own surveys at a small number of stations each year. In 2003-04, for example, five SRA staff carried out surveys at 55 stations run by nine TOCs, mainly in south-east England. The SRA's surveys typically detected a high level of compliance with franchise obligations and other commitments. We found a similar pattern of compliance with the SRA's basic requirements as part of our on-the-spot surveys of 120 stations in spring 2004.

2.17 The SRA required TOCs to take remedial action where they failed to meet their station obligations. Where it would not represent value for money to replace, for example, a repeatedly vandalised facility, however, the SRA could grant derogations from the franchise requirement to provide that facility. Franchises awarded before 2004 contain no provision for imposing financial penalties on TOCs that fail to meet their obligations. TOCs would have inflated their franchise bids to take account of the likelihood of having to pay financial penalties, alongside the cost of complying with the regime. The SRA could extract a passenger dividend from a TOC, such as by requiring the TOC to bring forward the repainting of stations, as recompense, although it preferred not to do so. Where it was dissatisfied with a TOC's response, it preferred instead to issue a breach notice, requiring the necessary remedial action within a given period of time. The SRA issued 18 station-related breach notices in 2004-05.

Network Rail's managed stations and franchised stations in Passenger Transport Executive areas have been subject to more robust regimes

2.18 Network Rail's managed stations and stations in areas covered by Passenger Transport Executives (PTEs) have been subject to regular and independent inspections, in many cases supported by financial penalties and incentives:

■ Independent "mystery shopping" reviews are used to assess Network Rail's compliance with standards for services and facilities agreed with the 21 TOCs that use its managed stations (paragraph 1.3), as set out in its access agreements. In 2003-04, most managed stations were compliant with 95 per cent of requirements.

■ In all PTE areas but one,[19] PTE inspectors have carried out surveys of all franchised stations in their areas, typically every month or every other month, to check TOCs' compliance with their franchise obligations, as part of the Service Quality Incentive Regime (SQUIRE). SQUIRE was introduced at privatisation to address concerns that TOCs operating in these areas had weak commercial incentives to invest in station quality because they received a high proportion of their income from government subsidies rather than from passenger fares. Under SQUIRE, PTEs have paid bonuses to TOCs for outperforming their benchmarks, while TOCs have paid penalties to the PTEs for falling short of them. PTEs told us that the regime cost them £600,000 to run in 2003-04, while TOCs paid PTEs £1 million in penalties. TOCs in PTE areas would have factored into their franchise bids the possibility of having to pay such penalties. Deficiencies mostly concerned station cleanliness, such as failure to remove graffiti, and passenger information systems, such as failure to make announcements over public address systems.

The SRA established new requirements for franchised stations and new incentives, which it intended for all new franchises from 2004

2.19 The SRA reviewed its franchising policy in 2002 and concluded that, while the policy of relying on commercial incentives to encourage TOCs to improve the quality of passenger rail and station services had achieved a number of successes, overall it had not delivered the outcomes envisaged. The SRA decided that, from spring 2004, it would more clearly specify station standards, facilities and services in new franchise agreements, setting a higher level of requirements in some respects and new requirements where there had previously been none **(Figure 8)**. And, 10 per cent of a TOC's bid profit would be at risk if it did not comply with the new requirements.

2.20 Two TOCs[20] in England – One and Northern – are now subject to the new franchise agreement requirements. The new agreements require them to inspect 16 per cent of their stations every month – that is, each station every six months – and to report their findings to the SRA. The new regime has weakened oversight in the PTE areas covered by the Northern franchise, however, as it requires less frequent inspections (paragraph 2.18) and involves potentially slower fault identification than under SQUIRE. At the same time, the regulation of compliance with station requirements is inevitably less independent than under SQUIRE because of the reliance on TOCs to carry out the majority of station inspections themselves.

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19 NEXUS, the Passenger Transport Executive for the north-east, has not been part of the SQUIRE regime because it, rather than the TOC, has been responsible for cleaning and maintaining the stations in its area.

20 A third TOC – Scotrail – also now operates under the new franchise agreement, but under a Direction from the Scottish Executive will continue to be subject to compliance monitoring arrangements of the SQUIRE regime.

8	Examples of new, compared with original, franchise agreement requirements

New⊠
respects and new requirements where there had previously been none.

Original franchise agreements	**New franchise agreements**
Communication and information	
■ Must have a public address system/information displays/ help point for emergencies and delays ■ Must be kept in working order	■ Help points must be clearly signed from other parts of the station, clear instructions on use provided, calls answered promptly and be in full working order ■ Information displays must be operational at all times, show destinations, due and expected time of arrival for the next train, no "on time" default ■ Information displays must show all delays of 1 minute or more if signal-operated, or 3 minutes or more if manually altered
Security	
■ Adequate lighting, switched on throughout hours of darkness when station open	■ Lights should not be flickering and should meet the required lux level ■ If new lighting is installed at a station without secure station accreditation, it should be designed so that lux levels would achieve secure station status and should be turned on according to photo-electric cell ■ Where time switches are used, these should be set at worst case ambient light for BST and GMT ■ Where diffusers are used, these should be maintained and light level not reduced as a result ■ In areas of semi-permanent darkness, lights should be switched on at all times station is open
Facilities for passengers' comfort	
■ Must have weather proof waiting accommodation ■ Seating must be provided where reasonably practicable	■ Must be undamaged and fit for purpose, maintained fully intact ■ Where there are doors and windows, these shall be capable of being closed to form a reasonably draught-proof seal ■ Heaters should be safe and operational ■ An alternative shelter/waiting room should be made available if usual one out of action for 28 days or more
Seating	
Nothing specified	■ Undamaged and fit for purpose ■ Secure, clean and free from litter ■ Self-draining (unless indoors) ■ Free from rust
Toilets	
Nothing specified	■ Open, clean, and at least 50% of cubicles/urinals available while station is manned ■ Wheelchair accessible toilets should have all fittings working and secure ■ If being cleaned, toilets should have an appropriate notice in place ■ Warm air dryers should be operational ■ Record card showing last time serviced/checked
Graffiti	
Nothing specified	■ Racial, religious or sexual nature – removed within 24 hours ■ Other graffiti removed within 7 days ■ No unauthorised stickers, posters or flyers
Environment	
■ Must be kept reasonably clean	■ Free from litter, clean and tidy ■ All windows and glass kept clean and replaced when damaged ■ Litter bins emptied when full and provision should comply with franchisee's security policy ■ Landscaped areas should be maintained ■ Persons employed to pick up litter on platforms must be instructed not to sweep litter into the track bed

Source: National Audit Office

2.21 Under its new regime, the SRA aimed to accompany the SFOs' staff on 3 per cent of their monthly inspections, and to carry out its own unaccompanied inspections at 6 per cent of the stations inspected by TOCs. By the time this new inspection regime would have been fully in place[21] for all 2,159 franchised stations in England and Wales, SRA staff would have been accompanying SFO staff on 130 inspections, and carrying out unaccompanied inspections at 130 stations, a year. By comparison, under the old franchise regime, the SRA carried out 55 station inspections in 2003-04 (paragraph 2.16). The SRA did not produce a business case setting out the total costs and benefits of these changes to its inspection regime for individual, or across all of its, franchises. Rather, the SRA developed business cases for the two new franchises of One and Northern in their totality. The TOCs bid for subsidy levels that were within affordability limits set for the SRA by the Department.

2.22 TOCs have expressed concerns to the Department for Transport, however, that the SRA's new franchise requirements and inspection regime are too detailed and prescriptive. In response, the Department is developing a lighter and more differentiated approach for new franchises in taking over from the SRA responsibility for passenger rail franchising. It recognises the need for a strong performance incentive regime for TOCs running services on commuter lines, where the passenger market is more captive, and on regional railways, where higher levels of government subsidy can blunt commercial performance incentives. For inter-city operators serving commercially competitive routes, however, the Department aims to set fewer requirements. The Department will also be looking to bidders at the franchising stage to demonstrate that they have strong internal quality management systems in place and, for existing franchise holders, that they have good past performance in delivering clean, operational and well-maintained facilities to

passengers. TOCs bidding for franchises will be required to put in place a monitoring system that is objective, provides statistically reliable information and allows outcomes to be verified by the Department. Although it does not intend to carry out its own direct validation of station quality in the way that SQUIRE (paragraph 2.18) and the SRA's revised regime (paragraph 2.21) had involved some independent inspections, the Department will retain the contractual right to audit quality and to take action if franchise requirements are not met, including levying fines at the Department's discretion or terminating a franchise in the case of a serious breach of franchise obligations.

2.23 In taking over responsibility for passenger rail franchising, there is scope for the Department to require the results of station inspections to be made available and more understandable to passengers and other interested parties. The results could be publicised and made available on TOCs' and the Department's websites. An overall opinion could also be given as to the station's quality, as is done in Germany with its 'traffic light' rating system, to make the results more understandable to passengers and other interested parties, particularly the Rail Passengers Council (RPC) and Parliament.

The German rail authority assesses station quality against a broad range of measures important to passengers

Deutsche Bahn (DB), a state-owned body which owns and maintains the track and stations and operates passenger and freight services, assesses the quality of Germany's stations using a 'traffic light' system, assigning a series of colours (green for no attention needed, amber for needs some attention, red for needs urgent attention) to each station under eight key headings: passenger information, appearance, waiting time, ticket offices and machines, quality of buildings, accessibility, the 3-S concept (service, safety, cleanliness) and integration. Deutsche Bahn staff review all stations every one or two years.

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21   Not until 2021, as some TOCs have existing franchises that have many years yet to run.

The SRA set out a strategy for developing local and rural stations whilst establishing standards appropriate to levels of usage

2.24 In November 2004, the SRA issued a Community Rail Development Strategy to guide the industry in exploiting the potential for developing local and rural railways, setting out ways to give these lines a more secure future with more passengers, lower costs and greater community involvement. In its strategy, the SRA pointed to too many empty seats on trains running up and down Britain's branch lines and concluded that, even if these trains were filled, the lines would still require unaffordable levels of subsidy. Closure of rail infrastructure was not, however, part of government policy. And, the Strategy suggested that neither closure nor further conventional cost-cutting could improve these railways; closures would leave large residual liabilities, whilst releasing limited cost savings. The Strategy pointed to Community Rail Partnerships around Britain helping to release latent demand for rail by raising awareness and active promotion of local lines. It envisaged establishing a separate designation of Community Rail Lines distinct from the rest of the rail network. Consistent with practice commonly adopted for local lines in Europe, this approach would include allowing for standards to be set, including for 390 stations, that were more appropriate to the railway's level of usage, saving money through reduced maintenance and renewal costs. For example, it is not always necessary or appropriate to have bright lighting at remote rural stations. Local volunteers would become more involved, bringing a human presence to stations that would reassure passengers and improve station upkeep. The SRA has designated three such Community Rail Lines, although with the abolition of the SRA it will be for the Department for Transport to take forward this initiative as an integral part of the government's future plans for the railway.

2.25 Other than in its specification for improving stations under its Modern Facilities at Stations programme, the SRA had not assessed the case to vary existing facilities and service requirements for stations on the rest of the rail network according to stations' size and importance, informed by passenger needs. In the Netherlands, stations have been grouped into three categories, each with its own guaranteed level of facilities, so that passengers know what to expect at different stations as they travel around the rail network. TOCs and passenger representatives[22] support differentiated station requirements, although there are different views as to how many station categories there should be and their criteria. The Rail Passengers Council is carrying out research to establish passengers' priorities for stations, and intends to produce a set of guidelines for the provision of facilities at stations.

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22   *Rail passenger franchise replacement: what does the passenger want?* Rail Passengers Council, June 2000.

PART THREE

Passengers are dissatisfied with facilities and services
at many stations

3.1 The perception of train passengers is an important indicator of the reputation of Britain's railways. The quality of Britain's railway stations may be judged not only on the extent to which they meet requirements, but also on the extent to which passengers are satisfied with the facilities and services that stations provide. This Part of the report examines whether passengers are satisfied with stations and the areas requiring further improvement if satisfaction levels are to increase.

Although passengers' satisfaction is increasing, it remains low for certain types of station and for particular facilities and services

3.2 TOCs, Network Rail and PTEs assess passengers' satisfaction with their respective stations. In addition, since 1999 the National Passenger Survey (NPS), carried out every six months by consultants engaged by the SRA,

provides a national picture of passengers' satisfaction with train services, including stations. Based on a sample of between 25,000 and 30,000 completed questionnaires from across the country, the NPS canvasses passengers' views about station facilities and services.

3.3 The results of the National Passenger Survey **(Figure 9)** show that:

■ passengers' satisfaction with stations increased from 59 per cent in autumn 1999 to 63 per cent in spring 2005;

■ passengers remain more satisfied with stations than with on-train factors, such as the comfort and cleanliness of carriages, the availability of luggage space and information provided during a journey; but

■ passengers have been consistently less satisfied with stations than with train punctuality and reliability, even where satisfaction with train punctuality and reliability has itself been as low as 59 per cent.

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9 Summary of results of National Passenger Survey, 1999 to 2005

Passengers' satisfaction with stations has increased over recent years, but passengers have been consistently less satisfied with stations than with train punctuality and reliability, even where satisfaction with train punctuality and reliability has itself been low.

Per cent fairly or very satisfied

Survey date
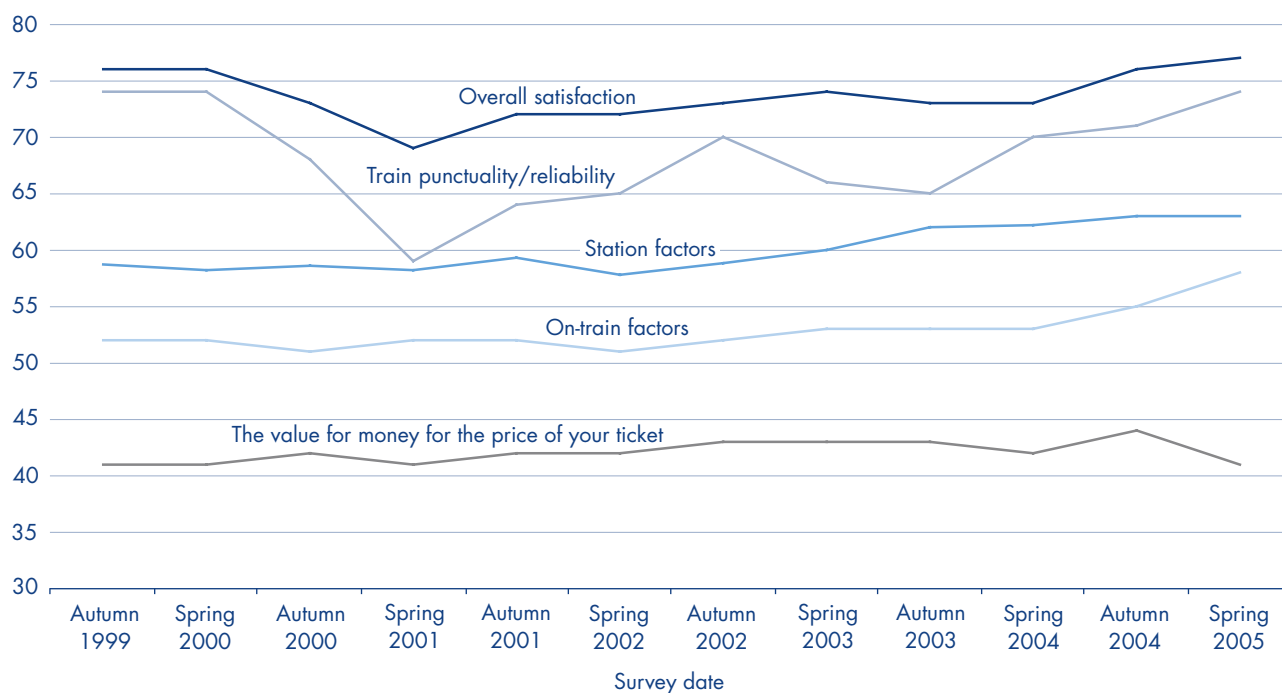
Source: National Audit Office analysis of National Passenger Survey results

NOTE

Station factors are presented as the annual average satisfaction score for 10 station-related questions, and on-train factors are presented as the annual average satisfaction score for 9 on-train questions, asked through the NPS between 1999 and 2005.

3.4 The SRA was required by its Directions and Guidance to secure improved levels of customer satisfaction with the quality of stations (paragraph 1.5), although neither the SRA nor the Department defined what was a reasonable level of satisfaction. The SRA considered that, while satisfaction with the value for money of the price of a train ticket has remained within a range of 41 per cent to 44 per cent over the period, the gradual rise in passenger satisfaction with stations was encouraging. It considered that these measures supported its approach of maintaining and improving stations where money and value for money considerations permit, alongside the industry's key priority of improving train punctuality and reliability since the Hatfield derailment in October 2000.

Passenger satisfaction is higher for some types of station and some TOCs than for others

3.5 We analysed the Spring 2004 NPS data using Network Rail's six categories of station (paragraph 1.1). **Figure 10** shows that passenger satisfaction varies greatly between categories of station:

■ passengers are most satisfied with a small number of mainly larger interchange stations, where significant passenger volumes justify investment in improvements. At these stations, in particular, TOCs run high speed trains alongside commuter services, catering for business and leisure travellers and in some cases in competition with airlines, and therefore have strong commercial incentives to maintain or improve the quality of their stations;

■ with the exception of station car parking facilities, passengers are reasonably satisfied with their experience at the largest stations, which carry more than half of all rail passengers each year. These stations are staffed and typically have a large range of retail and station facilities. They usually receive priority in station improvement programmes; and

■ passengers are least satisfied with facilities and services at small and medium-sized stations, that are either unstaffed or staffed during only part of train running hours.

3.6 Our analysis of National Passenger Survey data also showed that passengers were least satisfied with stations managed by TOCs in London and the south east. There is particularly low passenger satisfaction with facilities (including car parking) and services at these stations. Our analysis also showed, however, that commuters were more likely to be dissatisfied with stations due to the nature of their journeys. Dissatisfaction with stations was highest in commuter areas, principally London and the south-east, whatever the condition of the stations.

Passenger satisfaction varies across facilities and services provided at stations

3.7 Figure 10 also shows that passenger satisfaction varies according to the facilities and services provided:

■ passengers are most satisfied with the provision of passenger information, the assistance they receive from station staff, and connections with other forms of public transport;

■ satisfaction levels with ticket-buying facilities and station cleanliness are in the mid-range, from 55 per cent to 71 per cent for the larger stations; and

■ levels of satisfaction are lowest for facilities and services, the overall station environment, passengers' feelings of personal security while at stations, station upkeep and repair, and station car parking.

Passenger information is better than in some other countries but could be further improved, particularly when train services are disrupted

3.8 TOCs and Network Rail have made substantial investments in electronic passenger information systems over recent years, particularly at the larger stations. More than a third of all stations now have such systems, many of which provide real time information as a train progresses along its route. We found such systems at 50 of the 60 largest stations we visited during our station survey. We also considered that the information provided was often better than that at comparable stations we visited in Germany and Switzerland.

| 10 | Summary of National Passenger Survey results concerning passenger satisfaction with station facilities and services, Spring 2004 |

Passenger satisfaction varies both between facilities and services provided and between categories of station.

Per cent fairly or very satisfied

Questions concerning station facilities and services	All stations	A National hub	B Regional hub	C Important feeder	D Medium staffed	E Small staffed	F Small unstaffed
How request for help or information was handled by staff	82	84	82	82	76	82	N/A
Information about train times/ platforms	74	80	76	74	66	67	51
Connections with other forms of public transport	71	85	77	65	59	51	43
Attitudes and helpfulness of station staff	66	64	68	68	63	72	N/A
Ticket-buying facilities	66	71	67	66	60	67	40
Cleanliness	61	71	62	55	52	56	45
Overall station environment	57	70	59	51	41	47	38
Upkeep and repair	56	70	57	50	44	51	40
Personal security whilst using the station	55	62	61	53	46	49	38
Facilities and services	46	69	51	36	23	16	16
Car parking at stations	44	29	46	45	44	52	54
Median value	61	70	61	55	52	52	40
Unweighted average	61	62	64	59	52	55	41

● Satisfaction of 70 per cent or more   ● Satisfaction of 50 to 69 per cent   ● Satisfaction of below 50 per cent

Source: National Audit Office analysis of the results of the National Passenger Survey, Spring 2004

NOTE

The median value, which is the middle of a distribution, is presented here in addition to the unweighted average because the latter is disproportionately affected by the very low levels of satisfaction with car parking at large stations and with facilities and services at smaller stations.

Provision of information at British stations exceeds that in Germany and Switzerland

At the stations we visited in both Germany and Switzerland, passenger information was more limited than at British stations of comparable size. Information boards and timetable posters do not show all the names of the stations that trains will stop at, even at large stations. Such information is only available by enquiring at a travel centre (where available) or by consulting published timetables. Real time information on how trains are running is available at nearly all German stations, but is less common at smaller stations in Switzerland.

3.9 Research conducted in 2004 for the Rail Passengers Council[23] found that satisfaction with the provision of information at stations was generally high, although lower at times of disruption to train services. The Rail Passengers Committees and London Transport Users Committee have highlighted, and helped to disseminate to TOCs, good practice in providing and displaying passenger information, including during periods when train services are disrupted. But further improvements can be made:

- there were electronic passenger information systems at 69 of the 120 stations we visited, but we found displays difficult to read at five of them because of reflective sunlight on badly positioned monitors;

- at medium-sized and small stations, which typically do not have electronic passenger information systems, train running information is communicated mainly via the stations' public address systems. There was a public address system at 39 of the 60 medium sized and small stations we visited, but at 21 of these stations it was not being used to announce train arrivals or departures. The SRA pointed out that Station Facility Owners are required to make such announcements only when train services are disrupted. At six stations we visited, however, announcements were not clear or audible; and

- information is not always displayed in ways that are most helpful to passengers. From the viewpoint of the passenger, information might most helpfully be grouped thematically with separate posters or information points covering, for example, the station's locality and transport connections, passenger complaints and accessibility. This was done to varying degrees at the stations we visited.

More than half of Britain's stations are not fully accessible to disabled people

3.10 There are 10 million disabled adults in Britain. A survey of the attitudes of disabled people carried out in 2002 by the Disabled Persons Transport Advisory Committee (DPTAC)[24] found that rail travel was the least accessible mode of public transport. The survey found that 70 per cent of the 1,000 disabled adults sampled never used local trains and that 77 per cent never used long distance trains. By comparison, 53 per cent of the general public never used local trains and 59 per cent never used long distance trains. A report carried out in 2003 by the Leonard Cheshire Trust[25] concluded that difficulties in accessing transport generally contribute to the social exclusion of disabled people.

3.11 Disabled people and people with restricted mobility have different needs in gaining access to a station. A station might be fully accessible to one person, but be inaccessible or only partly accessible to another. ATOC and Network Rail data show that several factors affect station accessibility:

- **Access to platforms**: just under half of Britain's rail stations (handling 43 per cent of daily passenger journeys) do not have step-free access to some or all of their platforms and are not fully accessible to the 800,000 people who are wheelchair users or the more than 6 million who have difficulty in walking or using stairs. While many of the larger and more heavily used stations are accessible – since individually their passenger volumes justify providing lifts or staff assistance – many medium-sized or small stations where there are fewer passengers are not. Disabled people and some elderly people also encounter problems dealing with gaps between trains and platform edges at many stations.

- **Information systems**: the 8 million people who have impaired hearing or sight, or have learning difficulties, have particular audio or visual information needs. Thirty-nine per cent of stations (handling 88 per cent of daily passenger journeys) have electronic passenger information systems, and 65 per cent (handling 95 per cent of journeys) have public address systems.

23   *Passenger information: what, when, where and how?*, Rail Passengers Council, 2004.
24   DPTAC, an independent body, are the statutory advisers to government on the transport needs of disabled people. Ministers appoint its chair and 20 other members, at least half of whom should be disabled.
25   *Mind the Gap*, Leonard Cheshire Trust, 2003.

- **Staffing**: assistance from staff is very important for some disabled people, particularly wheelchair users and the one million people with impaired sight who are most likely to require help boarding and leaving trains. Twenty per cent of stations are staffed throughout the day, and 30 per cent for part of the day. These stations account for 70 per cent of daily journeys. The other 30 per cent of journeys are made through the 1,200 stations that are unstaffed and where the average number of passengers is 100 a day (Figure 1).

- **Tactile paving at platform edges**: this feature is important for people with impaired sight. We found tactile paving on the edges of all platforms at 27 of the 120 stations we visited and on some platforms at a further 15 stations. There was none at the other 78 stations we visited. Network Rail told us that 518 stations in England and Wales have tactile paving on all or some of their platforms.

3.12 Spaces reserved for disabled people in station car parks are also important to disabled people. ATOC and Network Rail data do not include information on reserved parking at stations. Of the 75 stations we visited that had a car park, we found reserved disabled parking at 53.

Stations' connections with other forms of public transport could be improved

3.13 The government's *10 Year Plan for Transport*, published in July 2000, emphasised the importance of improving the integration of different modes of public transport. In our April 2004 report on *Improving public transport through light rail* (HC 518, 2003-04), we highlighted the impact of bus de-regulation on the integration of bus services with other forms of public transport. The SRA, PTEs and local authorities have provided funding and guidance to bring about improvements, including improved interchanges between rail, buses and other forms of transport. Passengers' satisfaction with connections between train services and other forms of public transport is reasonably high for the largest stations. There were bus stops outside 94 of the 120 stations we visited during our station surveys, including 53 of the 60 largest stations we visited. There was a lack of information about bus times at 48 of these 94 stations, however, and the location of bus stops was not clearly indicated at 34 of the stations. Public transport was better integrated at the stations we visited in Germany and Switzerland.

Stations are better integrated with other forms of transport in Germany and Switzerland

In Germany and Switzerland, local public transport is almost always arranged so that the station acts as a hub for local bus and tram services. The timetables of these services are arranged, as far as possible, so that they depart the station shortly after the arrival of a train at the station. There are, invariably, bus and tram stops immediately outside the station, with short, direct and well sign-posted paths to the stops and comprehensive maps and timetables on display, and often real-time information on bus and tram departures. Wherever possible, stations have car and bicycle parking facilities.

In Germany, the importance of high quality integrated public transport is widely accepted and has been an intrinsic part of transport planning for many years. As a result, there are no formal objectives for integration. Similarly in Switzerland, there is a widespread appreciation of the importance of effective integration, and all parties work closely together to achieve it.

Many passengers do not feel safe at smaller stations

3.14 TOCs have made considerable investments in CCTV surveillance in recent years, particularly in response to their franchise plan commitments. A third of stations are now equipped with such systems, yet the results of the National Passenger Survey show that there has been little improvement in the number of passengers feeling safer (54 per cent in autumn 2002, and 55 per cent in spring 2005). In the autumn 2004 National Passenger Survey, furthermore, 17 per cent of passengers said that they had had cause to worry about their personal safety on the railway in the preceding six months. More than half of these cited anti-social behaviour by other passengers at stations, 50 per cent a lack of station staff and 19 per cent poor station lighting as reasons for their concerns about personal safety.

3.15 The reliability of crime figures recorded by the British Transport Police (BTP) depends on victims reporting offences to the police. The total number of notifiable offences recorded by the BTP on the railways rose by 17 per cent (to 65,051) between 2000-01 and 2003-04. This included a 37 per cent increase in assaults on railway staff, and increases of 25 per cent each in violent crimes and in public disorder and criminal damage. The SRA pointed out that some of the increase can be attributed to the increase in the number of passengers using the network: passenger journeys increased by six per cent between 2000-01 and 2003-04. Some of this increase can also be attributed to a change in the National Crime Recording Standard in April 2002, which resulted in more offences being recorded in official figures.

3.16 Research by Crime Concern[26] for the Department in 1996 and 2002 suggested that measures to improve personal safety would result in 11 per cent more journeys by public transport, including 15 per cent more by train and Underground. Much of the increase would occur outside peak hours. The research also found that the presence of staff, good lighting and CCTV surveillance at stations were the three most important factors reassuring passengers about their personal safety when they waited for a train. Passengers feel more secure at large stations, which are staffed, than at small stations unstaffed for much or all of the day, many of which do not have CCTV security systems. Passengers feel most unsafe after dark, particularly at unstaffed stations.

3.17 In the Rail Safety and Standards Board's 2003-04 safety plan, the industry set itself a target to reduce crime against passengers and others on railway property by 7.5 per cent by December 2005. It expected to achieve this through, amongst other activities, improved lighting at stations, more CCTV systems and help points, and the further adoption of best practice accreditation schemes.

Passengers are dissatisfied with facilities and the general environment at many small and medium-sized stations

3.18 There has been substantial recent investment and improvement in facilities and services at many of the larger stations, such as London Paddington, Liverpool Street, Waterloo, Leeds and Manchester Piccadilly. Network Rail data show that there are waiting rooms at 31 per cent of stations, and toilets at 29 per cent. They also show, however, that a third of larger stations do not have waiting rooms, and 15 per cent do not have toilets. Passenger satisfaction with station facilities, services and the general environment is particularly low at small and medium-sized stations. This reflects a gap between rising passenger expectations and what the industry and taxpayers can afford to provide and justify in value for money terms.

3.19 As Network Rail does not hold information about all of the facilities and services provided by TOCs at franchised stations, we carried out with the Rail Passengers Council a survey of facilities and services at a cross-section of 120 stations across Britain (details are at Appendix 1). We found considerable variations in the facilities and services provided, both between types of station and within each type **(Figure 11)**:

■ The 60 largest stations we visited typically had a broad range of facilities, but five did not have any toilets, ten did not have staffed refreshment facilities, 17 did not have waiting rooms and 39 did not provide luggage trolleys; and

■ few of the 60 medium sized and small stations had toilets, waiting rooms, cafés or snack bars. With medium-sized stations used, on average, by 2,500 passengers a day and small stations by an average of 100 a day (Figure 1), there is a lack of strong commercial incentives to provide refreshment facilities at such stations. Many also did not have features that a passenger might reasonably expect to find, however, such as a public telephone (which was absent at 15 stations) or a clock (which was absent at 34 stations), while few had self-service ticket machines.

3.20 Passengers' perceptions are influenced by the upkeep and cleanliness of stations, and whether litter, graffiti and vandalism are present. Our survey of TOCs found that the frequency of removing litter and repainting walls and buildings varies across TOCs and by station type, reflecting the number of passengers that use the stations. Litter is collected hourly or daily at staffed, and once or twice a week at unstaffed, stations. Targets for removing inoffensive graffiti range from within 24 hours to within 28 days, depending on the TOC. TOCs spend around £4 million a year dealing with graffiti and repairing vandalism. Out of 60 small and medium-sized stations we visited, we found litter at 39, graffiti at 33 and signs of vandalism at 24. The condition of stations should be considered, however, within the context of their local environments, as such forms of anti-social behaviour in the area around a station were also likely to affect the station itself. We found litter outside 34 of these stations, graffiti in the street or area outside 25 and signs of vandalism outside 14. The stations therefore appeared to attract anti-social behaviour from their local surrounding areas.

26   Crime Concern is an independent, not-for-profit organisation and registered charity that works with local communities and agencies to reduce crime.

11	Summary of NAO and RPC survey of facilities and services provided at a selection of 120 stations in Britain

There were considerable variations in the facilities and services provided both between types of station and within each type, across the 120 stations we visited.

Facilities at the stations visited	Category of station			
	National & regional hubs	Important feeder	Medium & small staffed	Small unstaffed
Number of stations visited	**30**	**30**	**30**	**30**
Passenger information system	30	26	15	7
Public address system	29	30	25	14
Freephone/help point	14	19	20	11
Public telephone inside or close outside	30	29	25	20
Toilet(s)	29	26	7	4
Waiting room(s)	22	21	19	4
Seating	29	30	29	28
Luggage trolleys	17	4	1	0
Self-service ticket machines	26	25	8	4
A clock on the platform or concourse	30	29	18	8
Staffed refreshment facilities	29	21	5	3
Newspaper/sweets shop/kiosk	28	24	5	3
Vending machines for drinks/food	20	6	3	1
Working cashpoint machines	20	9	1	2

Source: National Audit Office survey of stations, April-July 2004

Passengers are dissatisfied with many stations' car and cycle parking facilities

3.21 Around twelve per cent of rail passengers travel by car to their station and park at or near it, but many of these, and other rail passengers, are dissatisfied with stations' car parking facilities. There is particular dissatisfaction among passengers using larger and commuter stations, where car parks are sometimes full by 8am and passengers have to use spillover parking in residential areas. We found car parks at 44 of the 60 largest stations we visited. Seven of these car parks were full at the time of our visits.

3.22 Sixty per cent of Britain's population live within a 15-minute cycle ride of a railway station and around two per cent of rail passengers travel to their station by bicycle. A survey carried out by the Cyclist Touring Club in 2003 found cycle parking facilities at 85 per cent of the largest stations, and 24 per cent of the smallest. Only half of the spaces were under cover, however, and only seven per cent had lockers. The Department has identified around 210 stations where there is either no, or insufficient, parking to meet the demand for bicycle spaces. The SRA told us that it is not always possible to provide cycle storage facilities, because of physical constraints at stations and public safety concerns.

3.23 We found cycle access and parking facilities to be much more developed at stations in Germany and Switzerland. Some stations provided secure parking for a daily fee, and also bicycle repair facilities.

Cycle park at Nuenchritz station, Germany

PART FOUR

There are financial and other barriers to the improvement of stations

4.1 We surveyed TOCs, PTEs, Transport for London and local transport authorities to ask them about their priorities for improving the stations in which they are involved, reflecting the key areas of passenger dissatisfaction set out in Part 3. Their responses showed that there was some commonality in their top priorities for improving stations, concerned with improving passenger information systems and passenger security, such as through more closed circuit television systems **(Figure 12)**. The variety of other key areas for improvement reflected the organisations' differing business objectives: for TOCs and PTEs, more car parking is important to accommodate drivers wishing to use train services; for Transport for London, better quality public transport is a key priority, alongside tackling road traffic congestion; and for local transport authorities, integration of transport modes and improved accessibility are key priorities for their local communities.

4.2 Rail passenger travel has increased by 32 per cent since 1997. There are overcrowding problems during peak periods at Birmingham New Street, London Bridge, Charing Cross, Euston, Liverpool Street, Victoria and Waterloo, affecting concourses, entrances and exits, stairs, escalators, subways and footbridges. Terminal stations, such as those in London, experience crowding on concourses in the evening peak periods when passengers wait for their homeward trains. At Birmingham New Street, there have been temporary closures to contain the overcrowding.

4.3 In 2001, Railtrack alerted the SRA to the problem of serious passenger capacity pressures at certain managed, and large franchised, stations. Railtrack predicted that unsafe levels of passenger congestion were likely to be reached for parts of the day at Birmingham New Street and London Euston by 2005, London Waterloo by 2006, London Bridge by 2007 and London Charing Cross by 2009. Following the Hatfield derailment in October 2000, passenger numbers have not grown to the extent envisaged. Network Rail considers that passenger overcrowding at these stations has only been delayed by perhaps three years as a result.

4.4 This Part of the report examines the actions that the SRA and others have taken to improve the key areas of station security, accessibility and facilities and services identified in Part 3, and, given that taxpayers' money is limited, to facilitate and attract additional, external sources of funding to pay for improvements. In particular, it assesses the barriers to improvement and what is being done to tackle them.

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12 Key areas for improvement identified by TOCs, Passenger Transport Executives and local transport authorities

There was s⌧
the variety of other key areas for improvement reflecting the organisations' differing business objectives.

Order of importance	TOCs	Passenger Transport Executives	Transport for London	Local transport authorities
1	Passenger information systems	Passenger information systems	Passenger security	Interchange with other modes of transport
2	More car parking	More car parking	Passenger information systems	Passenger security
3	Passenger security	Increased staff presence	More closed circuit television systems	More closed circuit television systems
4	Modernisation of the fabric/structures	= Improved waiting facilities = Interchange with other modes of transport	= Improved information posters = Better signage	Accessibility for disabled people
5	More closed circuit television systems	Passenger security	Improved waiting facilities	= Passenger information systems = Modernisation of the fabric/structures

Source: NAO surveys of TOCs, PTEs, Transport for London and LTAs

NOTE

Priorities are listed in order of importance, with 1 the most important.

The SRA has funded station improvements, but has significantly reduced their scope

4.5 Around £150 million is spent each year on improving Britain's stations (Figure 4). But funding constraints constitute the biggest barrier to the improvement of Britain's stations. In Germany, where there are 5,800 stations, public authorities spend around £480 million a year on station improvements, while authorities in Switzerland, where there are around 800 stations, spend £75 million a year. These improvements are funded mostly by central and local government. **Figure 13** shows that, per station, Switzerland and Germany spend more on improvements than Britain.

4.6 In 1999, the Shadow SRA launched its Modern Facilities at Stations (MFAS) programme, intended to fund a range of improvements at stations. The MFAS programme built on an earlier programme of work managed by Railtrack, known as Developing Modern Facilities at Stations (DMFAS), which recognised that many stations did not provide the facilities and services that rail users expected for the 21st century. The SRA originally envisaged that it would be able to fund new facilities at 980 stations,[27] at a cost estimated in October 2000, by the then Office of the Rail Regulator, to be £225 million. In 2002, following a survey showing that 250 of these stations already had the specified facilities, the SRA reduced the number of stations covered by the programme to 730.

4.7 The SRA's January 2002 Strategic Plan gave a high priority to completing the MFAS programme by the end of 2004. The SRA paid Railtrack £14.5 million for costs incurred up to March 2002 in developing the programme and, in agreement with the administrators of Railtrack, adopted a two-stage approach to implement the programme. The SRA identified 129 stations for improvement during stage 1. In August 2002, Railtrack estimated that it would cost £77 million to deliver stage 1, although the SRA subsequently removed plans for toilets at the smallest stations. A review in March 2003, by consultants commissioned by the ORR to assess the efficiency of the planned improvements, revised the costs of stage 1 down to £51 million. Government funding constraints, however, meant that the SRA could not fund even this level of improvements. The SRA therefore reduced the scope of stage 1 improvements to cover 68 stations at a cost of £25 million. This figure included £4 million spent at four pilot stations during 2002-03. Stage 1 focused on stations with high rates of patronage in Merseyside and East Anglia, in order to maximise value for money.

4.8 Network Rail has been responsible for carrying out the work, which started in November 2003. By March 2005, it had completed improvements at 67 stations. We visited three of these stations, at Aintree, Aughton Park and Town Green. The new facilities include electronic passenger information systems at 37 stations, waiting rooms at 35 stations, closed circuit television systems at 19 stations, and toilets at 13 stations. TOCs acting as Station Facility Owners are meeting from their own resources any increased operating and maintenance costs stemming from the improvements made so far. The facilities use materials that provide for low whole life maintenance costs and make vandalism and graffiti difficult. Early passenger feedback has been positive about the stations that have been improved under the MFAS programme. Network Rail has completed designs to upgrade facilities at a further 662 stations, but funding constraints meant that the SRA was not able to fund the next stage.

13	Comparison between British, German and Swiss expenditure on station improvements

Each year, Switzerland and Germany spend significantly more per station on improvements than does Britain.

Country	Approximate amount spent each year on station improvements	Approximate number of stations	Amount spent per station
Switzerland	£75 million	800	£93,750
Germany	£480 million	5,800	£82,759
Britain	£150 million	2,500	£60,000

Source: National Audit Office

27   The SRA excluded 1,200 small unstaffed stations, on the grounds that passenger throughput was too low to justify improvements, 28 of the largest stations, as they already had the facilities, and around 300 stations served by South Central (now Southern) and South West Trains, where station improvements were expected to be achieved as part of their re-franchising in 2003.

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Swiss Railways are investing £140 million to improve facilities at 620 small stations

Swiss Railways (SBB) have a Facelifting Stations programme that has similarities to, but which is bigger than, MFAS. Unlike MFAS, the Swiss programme covers smaller stations. The programme is expected to run until 2015 and involve improvements at 620 small stations, with work already complete at 140. It encompasses:

- installing real-time visual and public address information systems;

- providing more and better light sources around the station, to enhance passengers' personal security and their perception of it;

- removing clutter from stations and creating more welcoming public spaces; and

- installing waiting rooms, shelters, covered ramps and stairs, and cycle parking facilities.

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National schemes promote good practice in station security, but few TOCs are involved and the schemes have had limited impact

4.9 The SRA, the Department for Transport, TOCs acting as Station Facility Owners, Network Rail and the British Transport Police have shared responsibility for improving security at stations, although primary responsibility rests with the SFOs. The Department, the Home Office and the police work with other stakeholders in running two accreditation schemes for station and car park security. Take-up remains low, however, and both schemes have had limited impact:

- Since 2002, the SRA has been committed to encouraging TOCs to seek accreditation under the Secure Stations scheme, which specifies high standards for crime management. An independent review of the scheme in April 2003 found that one of the main weaknesses of the scheme was lack of support from some TOCs. The cost of the required regular passenger surveys was also a major deterrent to some TOCs joining the scheme. The review found that many of the stations had low levels of crime before accreditation, which was therefore achieved without requiring any significant changes; subsequently crime fell only a little from

previous levels. The review also found that there was a low level of awareness of the scheme among passengers, and that it had therefore had a limited impact on passengers' fear of crime. The review's recommendations included targeting the scheme at stations with high levels of crime to improve the scheme's effectiveness, and better marketing and promotion of the scheme. In response, the Department has reduced the costs of the scheme by allowing TOCs to draw upon station-specific results from crime questions in the National Passenger Survey and, in March 2005, by abolishing the accreditation fee and introducing a category of 'working towards accreditation', to encourage take-up of the scheme. As at January 2005, there were 118 accredited stations, a fall of 12 per cent from the 134 accredited stations in October 2002. Since 87 of the largest stations are accredited, however, two-thirds of rail journeys involve passengers starting or finishing their journey at a Secure Station. The Department has recently begun research on approaches to reducing crime at stations in high crime locations and the British Transport Police has deployed Police Community Support Officers along with police co-ordinators at the main London terminal stations, Leeds, Birmingham New Street, Manchester Piccadilly and Cardiff Central, which have the highest numbers of crimes. At London Victoria, crime fell by a quarter in the first six weeks of these Officers' deployment.

- An independent review of the Secured Car Park scheme in March 2003 found that crime fell sharply after accreditation in car parks with high levels of crime. Passengers' perceptions of their own security at accredited stations improved, although this was due less to the accreditation itself than to the improvements that were made to gain it, such as lighting, CCTV and a visible security presence. Coverage of station car parks, however, is low; in March 2004, the scheme covered just 125 car parks at stations. In October 2004, the scheme was re-launched under the new name of the Safer Parking Award. The scheme's accreditation criteria now focus more on crime risk management and less on the design of the car park itself. In our January 2005 report on *Reducing Vehicle Crime* (HC 183 2004-05), we recommended that the Home Office encourage TOCs to participate in the scheme.

Illustration of improvements at one of the stations visited by the National Audit Office

BEFORE

Acton Central

AFTER
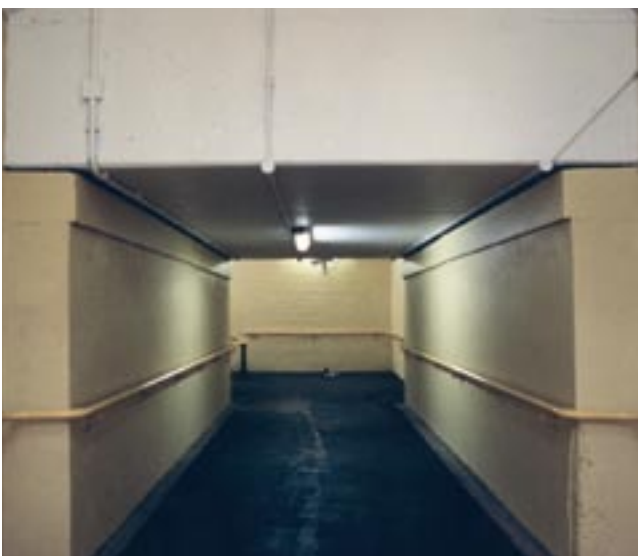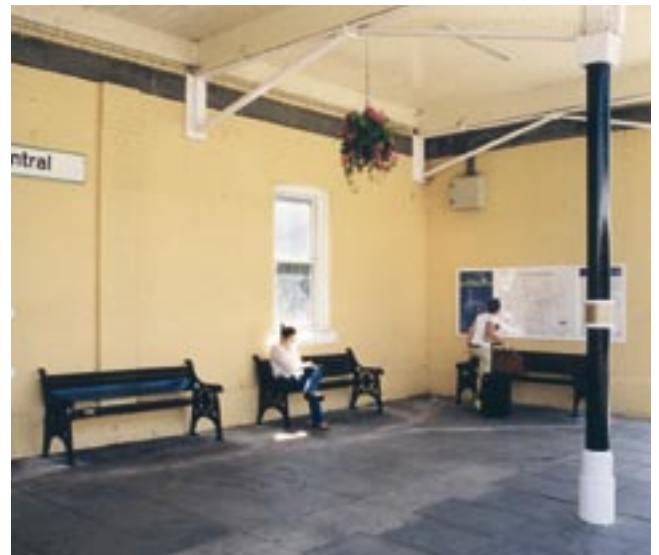
The industry has been slow to improve access for disabled people

4.10 The Disability Discrimination Act 1995 requires the provision of accessible services across all industries. The Act required Station Facility Owners – Network Rail or TOCs, depending on the station – to have made, by October 2004, reasonable adjustments to make the train service accessible at stations where access was not already available or reasonable. The Act does not require that all stations are made physically accessible. In some cases, minor works or alternative arrangements could be made, such as access to trains and platforms by lift or with the assistance of staff, or taxis provided to take passengers to a nearby station that is accessible.

4.11 The SRA took the lead for the industry in responding to the requirements of the Act, but progress has been slow. The SRA estimated that it would cost over £1.5 billion to make all stations fully accessible, and recognises that the industry does not have the money to fund all of the necessary improvements. It announced in its 2002 Strategic Plan that it would set up an *Access for All* fund to finance larger-scale improvements. In March 2005, the Department announced plans to spend £370 million on improving accessibility at 285 stations over the period to 2015. Eighty per cent (£296 million) would be spent on station infrastructure and the rest (£74 million) on increased staffing levels at stations.

4.12 In March 2005, the SRA issued a consultation paper, *Railways for All*, which proposed targeting three-quarters of the available money at the busiest stations, which are mainly in London and the south-east, and the rest at important regional stations. Based on this approach, the SRA expected that, by 2015, 240 of the busiest stations would provide step-free access to passengers and that staff assistance would be available at 305 of the busiest stations from the first to the last train each day. On these plans, 81 per cent of daily passenger journeys would be step-free and 76 per cent would be through stations staffed throughout train running hours.

4.13 While supportive of the SRA's approach, some groups representing disabled people, such as Age Concern, Mencap, the Rail Passengers Council's Accessibility Working Group, and the Joint Committee for the Mobility of Blind and Partially Sighted People,[28] expressed concern to us about the slow pace at which stations are being made accessible to meet the needs of disabled and elderly people. They also stressed the importance of:

- training staff at all levels in the needs of passengers with differing disabilities;

- following the principles of inclusive design, consulting disabled passengers when improvements are being planned. Mencap, Tripscope (a travel information charity) and the National Federation of the Blind of the United Kingdom told us that TOCs had never approached them for advice. The Association of Train Operating Companies has told us, however, that it maintains close relationships with Mencap, Tripscope, the Royal National Institute for the Blind, the Royal National Institute for the Deaf and other disability groups, and takes advice on best practice from them;

- the SRA or the Department ensuring that TOCs comply with the SRA's Code of Practice on access for disabled passengers (paragraph 1.5); and

- improving information on access arrangements and accessible facilities at stations to allow passengers to plan their journeys better. In 2004, the SRA funded ATOC to develop a Rail Map for People with Reduced Mobility, showing which stations have step-free access and indicating whether stations are staffed throughout train-running hours. The map shows that 334 stations are both fully-staffed and have step-free access to all platforms. Birmingham and Merseyside have the largest number of accessible stations, London the fewest. ATOC has also improved the information about the accessibility of stations on its National Rail website **(www.nationalrail.co.uk)**.

The SRA acknowledged these concerns in its *Railways for All* consultation document. Moreover, its revised Code of Practice of March 2005 on train and station services for disabled people highlighted the need for training and the provision of staff assistance.

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28   The Joint Committee is an independent body consisting of representatives from all the principal organisations of and for blind and partially sighted people with special interest in mobility.

The SRA has encouraged the provision of extra car parking spaces at stations, and has funded improvements in cycle parking facilities

4.14 The SRA considered that insufficient parking provision, particularly on commuter lines, could discourage people from using public transport. It has encouraged Network Rail, TOCs and local authorities to provide extra spaces where needed. The barriers to expansion of car parking at or near stations include resistance from some local authorities, who are concerned about local road traffic congestion around stations, and the availability of, and competition for, land at or near stations.

4.15 Supported by a business case, the SRA has set out plans to spend £500,000 provided by the Department on improved cycle parking facilities at over 200 stations most in need. This supports the objectives, set out in the SRA's November 2004 cycling policy, to encourage passengers to cycle to stations and for 95 per cent of rail journeys (up 15 per cent from current levels) to start from stations with adequate cycle parking facilities by 2010. Some TOCs, such as One and GNER, have installed much improved cycle parking facilities and offer cycle hire at some stations.

There are limited resources to tackle growing capacity pressures at larger stations

4.16 Network Rail has been investigating ways to generate additional funds from its commercial estate to assist with the funding of capacity enhancements, in response to increasing capacity constraints at some of Britain's largest stations (paragraphs 4.2 and 4.3). But providing additional capacity is costly. Network Rail has estimated that essential upgrading up to 2016 at 11 major stations might cost over £2 billion, much of which would require government funding. A scheme to redevelop Birmingham New Street station is anticipated to cost £350 million, of which up to £100 million may be funded by the Regional Development Agency, Advantage West Midlands, which has agreed in principle to match a similar amount from Birmingham City Council. In March 2005, Network Rail awarded a £3.9 million contract to design and develop

the New Street project. Edinburgh Waverley station faces a problem of insufficient platform capacity to deal with the growing number of trains calling at the station. In April 2004, the Scottish Executive announced £3.7 million of funding for the design phase of a project to increase the capacity of the station. The project is forecast to cost £150 million.

The SRA helped to attract private sector funding in its Rail Passenger Partnership Programme, but suspended the Programme

4.17 The Shadow SRA introduced the Rail Passenger Partnership (RPP) Programme in 1999 to provide funds for improvements, including at stations, that would contribute to the government's objectives of promoting integrated transport and social inclusion but that would be unlikely to earn sufficient financial returns to meet the Shadow SRA's normal investment appraisal criteria. Local stakeholders, such as local transport authorities, put forward proposals for central government funding to be supplemented from other sources. The government originally set a budget of £105 million for 1999-2000 to 2001-02. In January 2002, the SRA re-launched the Programme, setting a budget of £40 million a year and awarding funds to schemes for three-year periods. In January 2003, however, it suspended the funding of new projects due to lack of money, although it has continued to support schemes it had already approved. The SRA was committed to spending £20 million on 36 schemes involving station improvements,[29] supported by a further £10 million invested from other public and private sources. Most of the schemes are small, costing less than £500,000 each, and include improvements to interchanges, car parks and access for disabled people.

4.18 In 2003, consultants commissioned by the SRA evaluated the Programme, including five station projects. They found that projects met their objectives and that some station projects had achieved better than expected financial returns, although they noted that monitoring arrangements to identify and record project impacts could be improved. The Rail Passengers Council and many local transport authorities, TOCs and PTEs told us that they were anxious to see the SRA restart the Programme.

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29   By March 2005, the SRA had spent more than £14 million, with the remaining £6 million to be spent between 2005 and 2007, mainly on improvements at Sheffield station. The SRA was committed to spending a further £13 million on six schemes for new stations.

Brentford station has been redeveloped under the Rail Partnership Programme

The redevelopment of Brentford station is the third largest RPP station project, costing £2.2 million, with £1.2 million of SRA funding and the rest from GlaxoSmithKline, Hounslow Borough Council, the South West London Transport Conference and South West Trains (SWT). The project has installed a new ticket office, footbridge, lifts and lighting, waiting shelters, closed circuit television and a real-time electronic passenger information system. Network Rail and SWT delivered the project 10 months late in September 2003, but completed it within budget.

Assessing the impact of the project has been difficult because no passenger surveys were undertaken before the project started, against which to compare passenger numbers after the project was finished. The number of passengers passing through the station has increased significantly since the project was completed. While it also reflects the underlying growth in demand for rail services and the regeneration of Brentford itself, the increase in patronage is in part attributable to the redevelopment of the station.

A group of local residents and the TOC have improved Handforth station in Cheshire

In 1996, a group of local residents formed a 'Friends of Handforth Station' group to encourage residents and rail passengers to take an interest in their local station, which at that time was unstaffed and run down. The group greatly improved the appearance of the station by planting a garden, installing community noticeboards and displaying the work of local artists. The group was also instrumental in persuading Network Rail to build a new staffed ticket office and waiting shelters, and persuaded their local authority and TOC, First North Western, to fund a new closed circuit television system at the station. The number of passengers using the station has increased and there is no longer vandalism or graffiti. This initiative has encouraged similar groups to be established at several other stations in the north west.

Source: National Audit Office visit to Handforth and interviews with Friends' leaders

The SRA set out a vision for local and rural stations to be developed and improved through greater community involvement

4.19 For small, unstaffed or partially-staffed stations on local and rural railway lines, TOCs' investment in improvements can rarely be justified on commercial grounds. Improvement can be achieved through a local community approach, however, involving volunteers developing community uses for a station, bringing in funding for improvements and improving the station's integration with the local community.

4.20 The SRA's Community Rail Development Strategy for local and rural railways (paragraph 2.24) envisages Community Rail Partnerships becoming more involved in the running of these stations and, in some cases, Railway Development Companies[30] managing stations. The SRA provided some funding for the Association of Community Rail Partnerships (ACoRP), a national federation of over 40 Community Rail Partnerships that provides advice and support to community rail partnerships and other similar groups. The Transport Select Committee expressed concern in March 2005,[31] however, that the strategy relied heavily on community rail partnerships and ACoRP, organisations that do not have secure medium-term funding.

The industry needs to do more to attract private sector funding for station improvements

4.21 Some stations occupy brownfield sites that are attractive to private sector developers interested in either buying railway land or building office or residential properties near the stations. Under the Town and Country Planning Act 1990, where a development has an impact on the station – such as the development of new houses bringing more passengers to a station – the local authority can require the developer to undertake improvement works to mitigate the impact. The local authority did so, for example, at Brentford station.

4.22 Developers and local planning authorities are not required by the Town and Country Planning Act 1990 to consult with either Network Rail or the SRA on local development proposals that affect railway land. The SRA was unaware of many such schemes before they were announced, but encouraged local authorities to make full use of opportunities to extract station improvements from developers. Similarly, the SRA and Network Rail did not know how many developments there have been near stations over recent years that have had an impact on them, or how much private developers have invested in station improvements to mitigate the impacts.

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30   These are companies which, unlike Community Rail Partnerships, can employ staff, lease or own property, and undertake trading activities, property management and ticket selling.
31   *Rural Railways*, House of Commons Transport Committee (Fifth Report of Session 2004-05, HC 169).

4.23 Our surveys of TOCs and our analysis of Network Rail data showed that station retail and advertising concessions and car park and toilet charges generated £180 million in 2003-04. There are over 500 retail outlets at Network Rail's 17 managed stations. In response to capacity pressures now being experienced on some station concourses (paragraphs 4.2-4.3 and 4.16), however, Network Rail is exploring, in partnership with developers and investors, proposals to increase the retail trading area through new raft developments in which retail units are moved from concourses to new mezzanine floors. There is greater potential for growth in retail concessions at some of the large and medium-sized stations managed by TOCs, although some TOCs place greater emphasis than others on developing retail concessions.

4.24 TOCs have tried to attract refreshment and retail facilities to small stations, but with mixed success. Much depends on the station's location, the type of passengers using it and the commercial opportunities they bring. There are convenience stores selling train tickets at five stations in south-east England, but TOCs have found it difficult to make them economically viable, because of high fixed costs. There are similar challenges at smaller stations in other parts of Europe, where there have been a number of innovative approaches (see box overleaf).

There are structural barriers discouraging investment in stations

4.25 Passenger Transport Executives, local transport authorities, Regional Development Agencies and other stakeholders told us of the difficulties they face as promoters and participants in station improvement projects, which have meant that investment has been less than it might otherwise have been. The difficulties concerned Network Rail's approach to improvements, achieving returns on investment during the short lifetime of a TOC franchise, gaps between the funds available and the cost of improvements, and making a business case for some station improvements.

Leipzig station in Germany has been redeveloped to separate its operational areas from its retail areas

With 26 platforms, Leipzig Hauptbahnhof (below) is one of the largest stations in Europe. It was redeveloped in 1999 to include a large shopping centre on three levels containing 140 shops. The station now attracts 160,000 visitors a day, 120,000 of whom are not rail passengers.

There is a clear division at the station between the operational railway and the retail areas. The platforms are open and easily accessible, with trains clearly visible from the concourse. Retail development is well away from the concourse, on the lower levels.

Leipzig Hauptbahnhof station, Germany

National rail companies in Switzerland and The Netherlands have introduced innovative schemes combining retail and rail facilities at small and medium-sized stations

In Switzerland the federal railway company (SBB) has introduced an innovative scheme to maintain a human presence at smaller stations that would otherwise be unstaffed. Under the 'avec' franchise (a joint venture between SBB and the Migros company), convenience stores selling train tickets alongside their other goods have opened at stations located in residential areas, for example at Bumpliz Sud (right). Each store also contains a café. In October 2004 there were 27 'avec' stores, employing 265 full time equivalent staff, and SBB aim to open a further 23 stores by 2008.

In the Netherlands, Nederlandse Spoorwegen (NS) Stations, which manages and operates all stations on the Dutch network, developed the Wizzl concept in 1995. This involves a chain of convenience stores developed specifically for smaller, regional stations, selling train tickets along with groceries, books, magazines, CDs and flowers. Many stores have not proved economically viable, however, and NS has begun a programme of replacing them by retail kiosks, which sell train tickets alongside a much smaller range of consumer goods and where retail sales and sales of train tickets are integrated into a single transaction.

Convenience store at Bumpliz Sud station, Switzerland

Stakeholders considered that Network Rail's procedures discourage investment

4.26 Several TOCs, Passenger Transport Executives, local transport authorities and Regional Development Agencies told us that they regarded Network Rail's approach as a barrier to investment in station improvements **(Figure 14)**.

The short lifetimes of TOCs' franchises, and projects' rates of return, discourage investment

4.27 Many station assets have long lives, typically 20 years or more, and might pay back the money invested in them over a period of time beyond the term of a TOC's franchise, which is typically up to seven years. In response to our survey, 16 TOCs told us that the short length of their franchise term discouraged them from investing more in stations. Thirteen TOCs told us that the rate of return on their investment also discouraged them. TOCs told us that the incentive for them to invest in a station diminishes as their franchise term progresses. The SRA pointed out, however, that TOCs' investments could be protected by the SRA's policy of designating improvements as franchise assets and reflected in the value of the TOCs' balance sheets at the end of their franchise term.

There is a funding gap for some station improvement projects

4.28 Station projects typically involve a range of economic, social and environmental benefits accruing to passengers, TOCs and local communities. TOCs, local transport authorities, PTEs and private developers can often provide much of the funding for improvements, but there is sometimes a gap in funding, particularly for larger projects. Before it suspended the Rail Passenger Partnership Programme, the SRA provided gap funding on small and medium-sized projects. Network Rail has undertaken improvements where the SRA has agreed that they have contributed to the long-term value of the network, and consequently the ORR has permitted them to be added to Network Rail's Regulatory Asset Base (RAB), against which Network Rail borrows in the capital market and for which it receives regulated charges. Prior to 2000, many station improvements were funded in this way, but, as increases in station access charges would have to be met by increased subsidies payable to TOCs by the SRA, the SRA has been reluctant to support further increases to the RAB at a time when the government's emphasis has been on the affordability of the railways.

The cost of insuring against the risks associated with improvement projects is high

Network Rail seeks to ensure that it does not take on the risks associated with improvement projects for which it is not funded. Promoters and funders of improvement projects might therefore have to bear the risks and insure against them, at considerable cost. Some stakeholders told us that some small to medium-sized station improvement projects with good potential had not gone ahead because of the cost of insuring against the risk of protracted periods of time when railway lines might need to be closed during construction work.

Network Rail's procedures are seen as complicated and inflexible

Some stakeholders, for example GNER, Cornwall and West Sussex County Councils, Greater Manchester, Strathclyde and West Yorkshire PTEs and the London Development Agency, regarded Network Rail's approvals procedures as unduly slow-moving and bureaucratic, particularly for small projects. These complications add to the long lead times between designing station improvement projects and delivering them. With sources of funding often available for limited periods of time, any delay can lead to funding packages breaking down and the loss of investors' interest. Transport Regeneration Ltd, which puts together partnerships and funding packages for station improvements, told us that Network Rail delays had contributed to the failure of a number of schemes. Transport Regeneration considers that third parties' perception of Network Rail's processes is jeopardising the development of funding packages in a number of areas across the rail network. GNER told us that additional railway processes, and lengthy negotiation and development periods for projects, may add up to 20 per cent to industry project costs.

Network Rail's charges for station enhancement work are seen as high

Some stakeholders, and some members of our expert panel, considered Network Rail's fees for its advisory, supervisory and contracted work on station enhancements to be high.

Network Rail has no corporate targets to improve stations

Some members of our expert panel considered that Network Rail showed insufficient interest in developing franchised stations as it does not have any corporate targets or funding in this area.

It is difficult to construct a business case for some station improvements

4.29 At smaller stations, the low level of passenger use makes it difficult for TOCs and local stakeholders to make a case on purely commercial grounds for investing in improved or additional station facilities. For many station improvements, it is difficult to place a value on benefits in the form of improved passenger comfort and an improved station environment. Ultimately, there is a trade-off between the quality of station facilities and the level of passenger fares.

The SRA, Network Rail and the ORR have started to tackle some of these barriers

4.30 After TOCs were expected under the original franchises to go beyond the basic requirements and improve the quality of stations by responding to commercial incentives (paragraph 2.12), a second generation of longer-term franchise agreements was envisaged to incentivise TOCs to establish separate commercial deals that would align investors', Railtrack's and their own interests in the longer-term improvement of stations. But the Hatfield derailment in October 2000 and Railtrack's entry into Railway Administration in October 2001 removed the prospect of such deals being made. More recently, the SRA, Network Rail and the ORR recognised the barriers that might be discouraging public and private sector investors from investing more in stations. They have been working to address these issues **(Figure 15 overleaf)**, but solutions for some of these barriers are not straightforward.

4.31 Several private sector consortia have been developing proposals for station companies to design, finance and project manage station development schemes using the Private Finance Initiative approach. They have identified more than 400 stations that they consider have potential for re-development as part of urban regeneration schemes. One of the consortia has proposed that bundling some of these stations with others in a locality, along a route or franchise, or regionally, would allow a proportion of the development gains to be shared across other stations that, by themselves, do not have commercial development potential. Network Rail has developed a 'line of route' strategy to parcel up routes into clusters, based on a number of stations, and invite consortia to bid for all development, property and air right opportunities within a cluster. Consortia would work with Network Rail to re-invest development gains in infrastructure and station improvements.

4.32 As part of a Local Government Association Pathfinder Project, Surrey County Council has discussed with the SRA and Network Rail proposals for an alternative approach. Under this approach, the local authority would take over the leases of some neglected stations in the county, receive from TOCs the rent and regulated charges they currently pay to Network Rail, invest in better maintenance and improved facilities, and develop the stations as focal points of the local community, by, for example, using redundant station buildings as community centres, libraries and small offices. The Department for Transport, Surrey County Council and the South East England Development Agency are currently funding a feasibility study, with management input from the Local Government Association, to evaluate the business case for, and legal implications of, this proposal.

4.33 These approaches would involve some changes to the current arrangements for station management, maintenance and repair and would require service standards to be agreed between the station companies, Network Rail and TOCs. They might also have implications for Network Rail's future funding, as its funding plans are partly based upon securing commercial property gains that would potentially be lost – and need to be compensated for – if station companies were to take over stations for commercial development and improvement. At least one consortium has proposed capital or rental payments to Network Rail to mitigate this potential loss.

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15 Key actions taken by the SRA, Network Rail and the ORR to tackle barriers to investment in stations

The SRA, Network Rail and the ORR have been working to tackle key barriers discouraging investment in stations.

Simplifying procedures and sharing the risks of improvement projects

Network Rail has been consulting the industry since December 2003 on ways to simplify procedures for improvements (including at stations) proposed and funded by third parties and how risks might be better allocated and shared between parties. Network Rail has proposed setting up an Industry Risk Fund to compensate project promoters and funders for risks associated with operational emergencies, safety critical events and changes in legislation and for capping liability for small schemes.

In February 2005, the ORR set out in a consultation paper a proposed policy framework for investments, including those by third parties. The paper takes account of Network Rail's consultation and proposals, and is intended to address the barriers to efficient delivery of improvements, and to clarify Network Rail's role in enhancements and the terms on which it engages with funders and other organisations.

Network Rail and the ORR propose streamlining and simplifying station enhancement procedures, including for agreeing changes at stations under the new Stations Code.

Funding Network Rail for some station improvements

Following the recommendations of the July 2004 White Paper, Network Rail has been discussing with the Department and the ORR setting up an annual fund of up to £50 million for small-scale enhancement projects costing up to £5 million, which might include station improvements.

Matching investments to an asset's economic life

In November 2004, the SRA set up an industry working group to consider how best to overcome the mismatch between franchise terms and the economic life of many station improvements. The group has considered:

- requiring TOCs that take over franchises to continue paying for particular services provided by their predecessors, in the same way that they do for passenger trains on long-term leases from rolling stock leasing companies;

- extending Network Rail's role to cover all repair, renewals and maintenance at stations, leaving TOCs with responsibility for ticket sales, customer service and train despatch; and

- the more radical option of setting up a station company that would hold leases for large stations or a group of stations in a particular region for a term of around 40 years. This company, which might comprise private sector consortia, bringing together banks, station designers and construction companies, facility managers and commercial property developers, would be responsible for the management, repair, maintenance and improvement of the stations.

The station company approach has several attractions:

- A station company could take a long-term view of investment in stations and, by taking account of broader economic regeneration benefits from station and station-related developments, put together business cases for investments that a TOC would be unable to do.

- Where a station company was solely responsible for station maintenance and repairs, it could achieve savings in overhead costs, compared with the current arrangements where responsibilities for maintenance and repair are split between Network Rail and the TOC.

- TOCs and Network Rail would be free to concentrate on their core businesses of running passenger train services and repairing and renewing track and signals, respectively, while a station company would bring into the industry new expertise in facilities management and commercial property development. TOCs' and Network Rail's own skills in these areas could be tapped as part of the station company approach.

Source: National Audit Office

4.34 As part of the Rail Review in 2004, the Department received submissions from within and outside the industry that included ideas for improving the management and development of stations, but deferred these matters while it concentrated on the higher level architecture of the industry. The Department supports the idea of other partners outside the rail industry sharing foreseeable project risks associated with station enhancement projects and the government bearing any residual risks. With the abolition of the SRA in 2005, it will be for the Department for Transport to maintain the momentum of these initiatives and to take the key decisions in these areas. There was a consensus among our expert panel and industry stakeholders of the need for a more strategic approach to the improvement of stations, including the setting of station requirements and monitoring arrangements for different categories of stations, prioritisation of investment, attracting in private sector funding to help fund improvements, and how best to address anticipated capacity pressures over the next ten years.

APPENDIX 1
Study methods

Expert panel

We convened an expert panel, consisting of senior representatives from the key organisations involved in managing and improving stations, to:

■ debate the issues surrounding the management and improvement of stations; and

■ comment on the emerging findings of our fieldwork.

The panel met twice, first in May 2004 and then in September 2004.

The panel had the following membership:

Organisation	Name and position
Association of Train Operating Companies	David Mapp, Commercial Director
Disabled Persons Transport Advisory Committee (DPTAC)	Ann Bates, Member
Great North Eastern Railway (GNER)	Jim Gilbert, Customer Operations Director Richard Woosnam, Strategy & Planning Adviser
Network Rail	Geoffrey Kitchener, Regulatory Legal & Compliance Manager
Office of Rail Regulation	David Chapman, Head of Stations and Depots
Passenger Transport Executives Group (PTEG)	Jonathan Bray, Assistant Director
Rail Passengers Council	Mike Hewitson, Policy and Research Manager
Scotrail	Mike Price, Commercial Director
Southern	Vince Lucas, Commercial Director
Strategic Rail Authority	Mark Rose, Head of Stations Team

Survey of stations

Between April and July 2004, we visited a sample of 120 railway stations to see at first hand the facilities provided to passengers and the upkeep of stations. We visited 30 stations from size categories A and B (national and regional hub stations), 30 from size category C (important feeder stations), 30 from size categories D and E (medium and small staffed stations) and 30 from size category F (small unstaffed stations). Our selection of stations was random, using interval sampling. Visits were carried out without prior arrangement and were conducted by staff from the NAO and volunteers from RPC regional committees, using a 54-question checklist developed in consultation with the SRA, the Rail Passengers Council, Network Rail and the Association of Train Operating Companies.

An example of the station survey checklist and a summary of the results of these inspections, which were analysed for us by MORI, are on our website at **www.nao.org.uk**.

International visits

We engaged the consultants MVA Ltd to assist us in collecting information to compare arrangements for station operation, management and development in European countries with those in Britain and identify examples of good practice. As part of this work, we visited Switzerland and eastern Germany to meet with railway authorities and visit a range of stations. These countries were selected for visits on the basis of:

■ country characteristics and how they compare with Britain;

■ the role of the railway in the country;

■ the likelihood of finding the full range of comparator stations; and

■ professional reputation for high quality station and travel experience.

In September 2004, we visited the following stations in Germany: Bischofswerda; Dresden Hauptbahnhof; Dresden Neustadt; Dresden Flughafen; Dresden Dobritz; Dresden Plauen; Dresden Mitte; Klotsche; Leipzig Hauptbahnhof; Nuenchritz; and Wurzen.

In October 2004, we visited the following stations in Switzerland: Bern Hauptbahnhof; Bumpliz Sud; Olten; Stadelhofen; Uster; Zug; Zurich Flughafen; and Zurich Hauptbahnhof.

Surveys of TOCs, PTEs and local authorities

Between June and December 2004, we carried out a survey of TOCs in Britain. The survey collected information on TOCs' expenditure and income from stations, their past, current and projected investment in station enhancements and their views and experiences of station management and improvements.

Between August and October 2004 we also carried out surveys of the seven Passenger Transport Executives (PTEs), Transport for London and 74 local transport authorities in Britain to collect information on their investment/spending on stations and their monitoring of station quality, and to ascertain their views on the contributions of the SRA, Network Rail and TOCs to station improvements. We received responses from all PTEs, Transport for London and 31 local transport authorities. The figures in Figure 4 of the report for expenditure on maintenance, cleaning and operations and improvements at franchised stations are extrapolations from the survey responses, based on the proportion of all stations covered by the responses.

Summaries of the results of the TOC, PTE and local transport authority surveys are on our website at **www.nao.org.uk**.

Interviews with key organisations and analysis of information

Between November 2003 and October 2004, we interviewed senior staff at the SRA, Network Rail, the Department for Transport and the ORR.

■ At the SRA, we interviewed nine franchise directors and managers (covering a range of regional, commuter and long-distance operator TOCs), the stations team, the managers of corporate finance, business improvement, customer research, accessibility, and the Rail Passenger Partnership Programme, the sponsors of national programmes and Midland & North West, the project managers for the Modern Facilities at Stations, Access for All and national programmes, the executive director of community rail development and the assistant director for town planning and railway lands.

■ At Network Rail, we interviewed senior staff in the Railway Estates Division, including the managed stations team.

■ At the ORR, we interviewed the heads of stations and depots, and financial economics.

We also obtained and analysed key papers, reports, surveys and management information. These included results from the National Passenger Survey and Network Rail station condition index inspections. We also accompanied SRA staff on station assessment survey visits to St Albans, Flitwick and Haydons Wood stations.

In addition, we met officials at the following organisations:

■	Association of Community Rail Partnerships (ACoRP)	Director
■	Association of Train Operating Companies	Director General, Commercial and Policy and Regulation directors
■	Train Operating Companies	Senior and middle-level staff at c2c, First Great Western, Virgin Rail Group and WAGN
■	Association of Transport Co-ordinating Officers (ATCO)	Chair of Rail Sub-Committee
■	Department for Transport	Rail Sponsorship Division and Mobility & Inclusion Unit
■	Disabled Persons Transport Advisory Committee (DPTAC)	Secretariat
■	London Development Agency	Executive Director, Regeneration & Development
■	Friends of Carnforth Station	Michael Chorley
■	Friends of Handforth Station	Mike Bishop
■	British Transport Police	CCTV Manager
■	Passenger Transport Executives	In Greater Manchester, Merseyside (Merseytravel), Strathclyde, West Midlands (Centro), West Yorkshire (Metro) and the PTEG Rail Group
■	University of Leicester	Professor Martin Gill, who is leading a Home Office-funded research project on the effectiveness of CCTV
■	Rail Passengers Council	Policy managers and the Accessibility Working Group and Safety Task Force
■	Rail Safety and Standards Board	Safety Intelligence Manager
■	Railway Industry Association	Director General and representatives from member bodies
■	Scottish Executive	Head of Public Transport Major Infrastructure Team, Transport Division
■	Transport for London	London Rail, Head of Rail Liaison

Visits to stations

In addition to our survey of 120 stations, we visited 29 other stations which faced varying challenges or where there had been improvements. These included stations which faced capacity pressures, had modernised their facilities or had been adopted by local communities. We discussed the issues around them with their managers and other key parties. The stations we visited were:

- Acton Central
- Aintree
- Ashton-under-Lyne
- Aughton Park
- Birmingham Moor Street
- Birmingham New Street
- Birmingham Snow Hill
- Castleton
- Conway Park
- Glasgow Central
- Guiseley
- Handforth
- Horsforth
- Kirkby
- Kirkdale
- Leeds
- Liverpool Lime Street
- London Victoria
- Manchester Airport
- Manchester Piccadilly
- Menston
- Old Roan
- Ormskirk
- Paisley Gilmour Street
- Partick Interchange
- Reading
- Singer
- Tamworth
- Town Green

Consultation with stakeholders

We invited comments on the study's issues from a range of stakeholders and received written responses from the following organisations:

- Advantage West Midlands
- Age Concern England
- Association of Community Rail Partnerships
- British Transport Police
- Countryside Agency
- Department for Transport, Cycling Branch
- Joint Committee for the Mobility of Blind and Partially Sighted People
- Local Government Association
- London Cycling Campaign
- London Development Agency
- Mencap
- Motorists' Forum
- National Assembly for Wales, Transport Policy Division
- National Federation of the Blind of the United Kingdom
- Railfuture
- Railway Heritage Trust
- Royal National Institute for the Blind
- South East England Development Agency
- Sense
- Transport Regeneration Ltd
- Tripscope

APPENDIX 2

Train Operating Companies as at May 2005

Name of TOC	Franchise term	Owned by	Category of TOC	Number of franchised stations
Arriva Trains Wales/Trenau Arriva Cymru	2003-19	Arriva plc	Regional operator	236
c2c	1996-2011	National Express plc	London and South East operator	24
Central Trains	1997-2006	National Express plc	Regional operator	200
Chiltern Railways	2002-21	M40 Trains	London and South East operator	30
First Great Western	1996-2006	First Group plc	Long distance operator	14
First Great Western Link[1]	2004-06	First Group plc	London and South East operator	71
First ScotRail	2004-11[2]	First Group plc	Regional operator	336
First Keolis Trans Pennine Express	2004-12	First Group plc/Keolis SA	Regional operator	30
Gatwick Express	1996-2011	National Express plc	Regional operator	0
Great North Eastern Railway (GNER) [Inter City East Coast Mainline]	2005-12[2]	Sea Containers	Long distance operator	12
Great Northern[3]	1997-2006	National Express plc	London and South East operator	49
Island Line	2003-07	Stagecoach Holdings plc	Regional operator	8
Merseyrail Electrics[4]	2003-28	Serco/NedRailways	Regional operator	66
Midland Main Line	1996-2008	National Express plc	Long distance operator	7
Northern Rail	2004-11[5]	Serco/NedRailways	Regional operator	471
One (Greater Anglia)	2004-11[2]	National Express plc	Long distance operator	167
Silverlink Train Services	1997-2006	National Express plc	London and South East operator	82
South Eastern Trains	2003-06	SRA	London and South East operator	178
Southern[6]	2003-09	Govia	London and South East operator	161
South West Trains	1996-2007	Stagecoach Holdings plc	London and South East operator	177
Thameslink Trains	1997-2006	Govia	London and South East operator	29
Virgin Cross Country	1997-2012	Virgin Rail Group Ltd	Long distance operator	0
Virgin West Coast	1997-2012	Virgin Rail Group Ltd	Long distance operator	17
Wessex Trains	1996-2006	National Express plc	Regional operator	125
Total				**2,490**

NOTES

1   Took over from Thames Trains.

2   A three-year extension is dependent on achieving performance targets.

3   Part of the former West Anglia Great Northern (WAGN), the other routes of which are operated by One in a Greater Anglia franchise.

4   This franchise is let as a local concession outside the SRA/Department for Transport franchising process. Merseytravel, the Merseyside PTE, manages and lets the franchise.

5   A two-year extension is dependent on achieving performance targets.

6   Formerly known as South Central.

GLOSSARY

Adopt a Station scheme

A scheme under which local people become involved in monitoring the condition of their local station, providing periodic reports to the train operating company, and which may also involve them contributing to the aesthetics of the station, for example by tending station gardens and providing artworks.

Association of Community Rail Partnerships (ACoRP)

A national federation of over 40 Community Rail Partnerships to improve local railways, including stations. ACoRP, which is a charity in receipt of some funding from the SRA and Network Rail, was formed in 1998.

Association of Train Operating Companies (ATOC)

An unincorporated association owned by its members, the train operating companies (TOCs). It is the official voice of the passenger rail industry and assists its members in complying with the conditions in their franchise agreements with the SRA and their track access agreements with Network Rail.

British Transport Police

The body which performs the core policing role on Britain's railways, including at railway stations.

Community Rail Partnership

A local, non-profit organisation partnership of train operators, Network Rail, local authorities, community organisations, businesses, development and tourism agencies and other locally based bodies to help develop local rail services.

Department for Transport (DfT)

The Department for Transport is responsible for overseeing the delivery of Britain's transport system. Following the abolition of the Strategic Rail Authority (SRA) under the Railways Act 2005, it is taking over the SRA's strategic and franchising roles in relation to the railway.

Derogation

Permission not to comply with a franchise requirement. It is granted to a TOC for a specified period.

Disability Discrimination Act (DDA)

The Disability Discrimination Act 1995 required Station Facility Owners – Network Rail or TOCs, depending on the station – to have made, by October 2004, reasonable adjustments to make train services accessible at stations where access was not already available or reasonable.

Disabled People's Protection Policy (DPPP)

A document, required by an operator's licence, setting out a TOC's procedures and policies in place to help disabled people. A DPPP had to be approved by the SRA.

Franchise agreement

The agreement between the SRA (or formerly OPRAF) and the TOC setting out the terms and conditions on which the TOC can operate train services.

Franchised stations

Stations which are operated and managed by TOCs.

Friends of Station

A group formed by local rail passengers and residents to support and promote the development and improvement of a local station.

Interval sampling	A method of selecting samples by sorting a population in numerical or alphabetical order and then selecting every *nth* case to meet an agreed sample size.
Local Transport Authority (LTA)	The local government body responsible for overseeing local transport planning.
Local Transport Plan (LTP)	An LTA's 5 year investment plan, covering all forms of local transport: buses, trains, roads, cycling and walking.
Managed Stations	The 17 major stations managed by Network Rail.
Modern Facilities at Stations (MFAS)	An SRA programme, launched in 1999 by the Shadow SRA, to fund a range of improvements in facilities at stations. It built on Railtrack's Developing Modern Facilities at Stations (DMFAS).
Mystery shopping	Tests and assessments of services carried out by surveyors anonymously.
National Passenger Survey	A survey carried out since 1999 every six months by consultants funded by the SRA to monitor passenger satisfaction with train services, including stations. It is based on a sample of between 25,000 and 30,000 self-completed questionnaires from across the country.
National Rail Good Practice Guide	A voluntary guide to good practice for TOCs providing services to customers making journeys on the national rail network involving more than one TOC.
Network Rail	The operator of Britain's rail infrastructure and owner of stations. It is a private company limited by guarantee and without shareholders. It took over from Railtrack in October 2002.
Office of Passenger Rail Franchising (OPRAF)	A non-ministerial department, which awarded the franchises to run passenger rail services by March 1997. It was superseded by the Shadow Strategic Rail Authority in July 1999.
Office of Rail Regulation (ORR)	A non-ministerial government department staffed by civil servants, including a team of experienced railway operational and engineering staff, which regulates Network Rail's stewardship of the national rail network. The ORR, which receives general guidance from the Secretary of State for Transport, aims, through independent, fair and effective regulation, to achieve improvement of a safe, well-maintained and efficient railway which meets the needs of its users and to facilitate investment in capacity.
Passenger Charter	A charter setting out standards of service to its rail customers that a TOC agrees to meet.
Passenger Transport Executive (PTE)	The PTEs are public bodies which are responsible for planning and developing public transport in seven of Britain's major conurbations. They are funded by local Passenger Transport Authorities, which are made up of elected representatives of constituent district councils, and co-sign and fund, with the SRA, TOCs' franchise agreements in their areas.

Rail Passenger Partnership (RPP) Programme	A programme introduced in 1999, by the Shadow SRA, to provide funds (from the SRA) for improvements, including at stations, that contribute to the government's objectives of promoting integrated transport and social inclusion, but that would be unlikely to earn sufficient financial returns to meet the SRA's normal investment appraisal criteria.
Rail Passengers Council (RPC)	Parliament set up the RPC to protect passengers' interests by ensuring that users' views are fully represented whenever decisions are taken that affect the rail network.
Rail Safety and Standards Board (RSSB)	The RSSB (established in April 2003) leads and facilitates the railway industry's work to achieve continuous improvement in the health and safety performance of the railways. As part of its role, the RSSB establishes and maintains Railway Group Standards. The RSSB is an independent, non-profit-making company owned by major industry stakeholders.
Railtrack	The private company responsible between 1996 and 2002 for the operation of Britain's rail infrastructure and owner of stations. It went bankrupt in October 2001, and was in Railway Administration until it was replaced by Network Rail in October 2002.
Railways Development Companies	Companies that can employ staff, lease or own property, undertake trading activities, property management and ticket selling. Railway Development Companies operate on the Settle & Carlisle and Esk Valley lines.
Regional Development Agency (RDA)	The RDAs are non-departmental public bodies which aim to drive and co-ordinate regional economic development and regeneration. There are eight RDAs in the English regions and the London Development Agency is a ninth.
Regulatory Asset Base (RAB)	The RAB represents the potential of the assets of a regulated utility to create value. It is increased (or decreased) as investments (or divestments) are made which change the company's ability to create value. When investment is made in an asset the Regulator approves the addition to the RAB of a sum representing the net present value of the investment. Network Rail is entitled to make a regulated rate of return on its RAB, currently 6.5%.
Safer Parking Award Scheme	A voluntary scheme of accreditation to car parks which can demonstrate that they are designing out crime through open spaces, good lighting and open construction, and have effective crime management. It was launched in 1992 as the Secured Car Park Scheme by the Association of Chief Police Officers in partnership with the Home Office and the British Parking Association, and was re-branded in 2004.
Secure Stations Scheme	A voluntary accreditation scheme launched in 1998 and directed by the Department for Transport, in partnership with the British Transport Police and Crime Concern, which sets standards for station design and crime management.
Service Quality Incentive Regime (SQUIRE)	A quality monitoring and incentive regime covering stations which is used by certain Passenger Transport Executives.
Shadow Strategic Rail Authority (sSRA)	The body which, in July 1999, replaced OPRAF, pending legislation to create the SRA.

Station Access Agreement	A bilateral agreement between an SFO and another user of the station, for example another TOC. It specifies the services which will be provided to the user and the regulated charges payable for access to the station.
Station Access Conditions	Rules which are incorporated in a station lease. The Annexes to the Station Access Conditions include factual details relating to the station and attributions of responsibility. Access conditions are regulated by the ORR.
Stations Code	A draft Stations Code has been developed by the ORR with the purpose of clarifying responsibilities for repairs and maintenance at stations.
Station Condition Index	The ORR's measure of the structural condition of rail infrastructure, including stations.
Station Facility Owner (SFO)	The body which leases a station from Network Rail and is responsible for its management and routine maintenance.
Station Lease	A lease between Network Rail, which owns Britain's stations, and a TOC Station Facility Owner to manage a station. The lease incorporates Station Access Conditions, which set out rights and obligations of Network Rail and the SFO, and specifies the rent payable. Most leases are for a term of seven years.
Station Licence	A licence granted by the ORR to Network Rail and TOC SFOs to operate stations.
Station Regeneration Programme	A £950 million Department for Transport-funded programme which between 1996 and 2001 remedied defects, inherited from the pre-privatisation era, at 2,130 stations.
Strategic Rail Authority (SRA)	The Transport Act 2000 set up the SRA to provide strategic direction and leadership for Britain's railway, let and manage passenger franchises and freight grants, disburse public funds, develop and sponsor major infrastructure projects, and to be responsible for some aspects of consumer protection. It operated under Directions and Guidance from the Secretary of State for Transport, the Scottish Minister for Transport and the Mayor of London. It formally came into being on 1 February 2001, and was abolished by the Railways Act 2005.
Subsidies	Sums paid by the SRA to certain TOCs to support their provision of rail services.
Tactile paving	Dimpled paving which provides warning to sight-impaired passengers that they are approaching the edge of the platform.
Train Operating Companies (TOCs)	The 24 train operating companies are responsible for providing passenger rail services in the UK. The TOCs operate under franchise agreements with the Strategic Rail Authority and lease stations from Network Rail and trains from Rolling Stock Companies to enable them to operate services.
Transport for London (TfL)	The transport authority for London.