

Our Plan for the Future

A Prospectus

October 2023



Foreword

Our Plan for the Future – A Prospectus is TPE’s plan for the renaissance of the business, so that we can reassert our role in the life of the North of England delivering a premium quality sustainable train service that connects its towns and cities, and provides connectivity into Scotland. This will enable us to drive economic growth and social value across the regions and nations we serve for the wellbeing of all.



Since I joined the business in May I have been struck not just by the warm welcome but by the commitment we show to our customers. It’s a privilege to be asked to lead the business and I will put every effort into helping our people to give the best service and help our communities thrive. One of our stakeholders said to me recently that “the best asset you have is your staff, you have wonderful people all over the place who really care”. I couldn’t agree more and believe our people must form the foundation of all our plans.

We will create a business that all of us are proud to work for which enables and supports our people to deliver excellent operational performance and customer experience. We will be open and transparent in our dealings with colleagues, customers and stakeholders. Delivering a premium travel experience - connecting communities across the North of England and into Scotland.

We have been through a challenging few years and this is our opportunity to reset the business and to respond to the Secretary of State for Transport’s letter of June 2023 which provided us with the requirement and the mandate to do so.

This report sets out three parallel phases for delivery, each starts now; **Stabilisation (to Dec-24)**; **Re-engagement (to Dec-27)**; and **Transformation (to Dec-32)**. This will ensure that we continue to take swift and decisive action to stabilise our performance and lay the foundations for future growth; re-connect with our customers and communities; and continue to focus on the huge strategic opportunity for the business and the region in delivering the Transpennine Route Upgrade (TRU). We are already making good progress, in our first 100 days:

- We have re-engaged with our stakeholders and carried out extensive consultation
- We have re-engaged with our trade union colleagues and with their support re-activated the Driver Rest Day Working (RDW) agreement
- We have undertaken a ‘listening’ exercise with our people and undertaken focus groups
- Our Train Crew resources desk has been co-located in Control to improve communications and operational efficiency
- We have implemented a plan that re-introduced our full Sunday service in September 2023
- Recruitment is underway for ten Depot Supervisors for York and Manchester depots to support frontline communication during disruption
- An operational ‘deep dive’ has been conducted with industry experts, to inform the development of our Dec-23 timetable
- Operationally we now have a clear plan and a mandate to stabilise performance and build strong foundations for the future, by simplifying our operations and addressing the training backlog

- We have started to deliver improvements in our fleet for the benefit of our customers and also to look to our longer term sustainable new fleet requirements
- We have confirmed the new post of Operations Director who will lead our train service delivery into the future
- We have delivered, and continue to develop improvements and upgrades to many of our stations, and importantly secured third party funding to deliver more
- We have continued to pursue our sustainability and inclusivity goals and welcomed a new generation of apprentices to the business

There is much still to do but in this report we have set out strong foundations on which to build our future ambitions for colleagues in the business, for our stakeholders and the wider community, and above all for our customers.

I look forward to working with you all collaboratively as we implement this plan, build on our successes and overcome any challenges that we may face.

Thank you for making me so welcome, this is a fantastic team and a great business which has so much to offer our customers and communities and I'm confident that this plan will help us thrive together.

Chris Jackson

Managing Director, TransPennine Express

October 2023

Executive Summary

This report has been produced at a time of great opportunity for the railways of the North of England and Scotland, but also against a challenging landscape for the industry nationally with a background of cost pressures, significant taxpayer subsidy and industrial relations disputes. As a consequence of some of those challenges we became part of DOHL on 28 May 2023.

Background

The prospectus is published for the benefit of colleagues. Its purpose is to set out our ambition for the business and the plans we will need to develop together to deliver for our customers and communities. In the interests of transparency we are making the prospectus freely accessible on our website and providing a simple precis for Customers and Stakeholders.

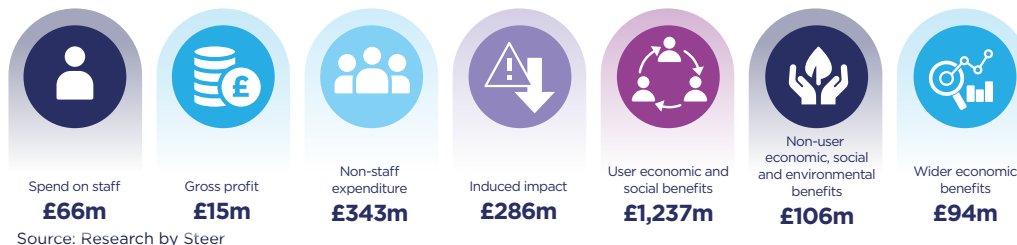
TransPennine Express (TPE) operates premium services that connect the major towns and cities across the North of England and into Scotland, including directly to Manchester Airport. It operates 19 stations and calls at over 60. Prior to COVID it carried over 31m passenger journeys per annum. For 23/24 this figure is 19.2m passenger journeys.

We have nearly 2,500 people across the business and partners in the North of England and into Scotland. The majority of these are in service delivery roles, with 1,680 in TPE itself. This team represents a fantastic diversity of people from different parts of the North of England and Scotland, different backgrounds, ages, genders, ethnicities, sexual orientations, abilities, and religions.

We play a pivotal role in enabling customers to travel sustainably in speed and comfort, across the North of England, and into Scotland and contribute significantly to the economic value of the region.

In the year before COVID, TPE was delivering £2,146m (2020 prices) in social, economic and environmental value per annum. Our plans focus first on returning to this pre-COVID position before turning our focus to deliver the benefits of multi-billion pound investments which will deliver at least a 50% improvement on our pre-COVID position.

Economic & Social Benefit of TPE



Since TPE began operating the franchise in 2004 there has been a programme of improvements to the timetable with a significant expansion in the number of destinations served, routes operated and improved frequency of services. Many of the trains have changed significantly too, with the introduction of new, better quality and higher capacity vehicles. The newest have improved First Class accommodation and catering facilities giving us the ability to offer a premium service. These improvements supported by effective marketing and pricing have more than doubled passenger numbers and delivered significant economic value. Growth that pre-COVID had been forecast to increase substantially supporting the case for investments in TRU and Northern Powerhouse Rail.



Coming out of COVID, TPE was named Train Operator of the Year and Rail Business of the Year at the Rail Business Awards 2022 as an acknowledgement of its overall business excellence, customer service and collaboration with industry partners. However, these successes masked some inherent operational challenges, particularly around the impact of operational complexity on availability of sufficient drivers with the necessary competence levels.

These operational challenges had their foundations prior to COVID in the issues arising from the May-18 timetable change, the level of training required to deliver new trains for the Dec-19 timetable and the resultant increase in Rest Day Working (RDW). This has highlighted the fact that the operation is too complex for its overall size with too many different classes of rolling stock resulting in difficult, costly and time-consuming driver training demands. When this is coupled with complexity in rostering and crew changes the result is poor service delivery, exacerbated during periods of service disruption, when the lack of flexibility within crew terms and conditions can make recovering the service more complex. The resulting performance impact on our services, and hence our customers, and communities has been profound and well documented.

Our First 100 Days

We have moved swiftly and strategically to take control of the business in the first 100 days. The first and most important thing we did was to engage with our people and we undertook a listening exercise to properly understand their thoughts, feelings and hopes for the business.

This has helped us to deliver a new and collaborative approach with our people and stakeholders which is open and transparent, to drive immediate change and to lay the foundations for the renaissance of the business. This will allow us to play our full role in delivering premium sustainable and value for money connectivity within the North of England and into Scotland.

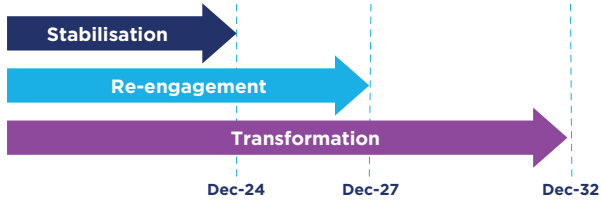
Our first 100 days

Delivered in the first 100 days	
Operational Reset	<ul style="list-style-type: none"> • New driver training governance • Class 68s off South Route to smooth operations • Full Sunday timetable from 17 September • Moved Traincrew resources desk to TPE Control • £2m new roles signed off: 10x Traincrew Depot Supervisors at Manchester/York, strengthened Control team • Operational 'Deep Dive' to inform Dec-23 TT
Fleet	<ul style="list-style-type: none"> • Improved toilet tanking capability including new tanking machine at Hull • Full replacement of Class 185 bodyside indicator lights • New trains 'hot house' to develop specification for new TPE trains
Engagement	<ul style="list-style-type: none"> • Reset relationships with unions – RDW switched back on within 4 weeks • Reset crucial relationships with key stakeholders • Commitment to implement new uniform • Management Leadership conference • Collaboration across the business and with other public sector bodies on procurement
Stations	<ul style="list-style-type: none"> • Platform zoning at all TPE stations • £117k changing places toilet at Stalybridge • Continued roll out of new Ticket Vending Machines • Shortlisted for accessibility improvements as Innovation of the Year, National Rail Awards • Launch of safeguarding hub at Hull
Fit for the Future	<ul style="list-style-type: none"> • Launch of new Customer Ambassador scheme to reinvigorate service standards • 7 new apprentices joined the business • Publication of Sustainability Strategy • Validation of near-term Science Based Targets • Recommendation to apply for recertification for ISO 14001 (Environmental Management System)

We will change our ways of working across the business to ensure our people are fully trained, equipped and empowered to deliver for our customers.

In delivering the initiatives contained within this prospectus we will drive a reduction in our subsidy profile over time to make us more financially sustainable. We will provide better value for the taxpayer with the aim to balance the cost reductions required by constrained industry finances and deliver sustainable journey growth and increase our contribution to economic growth.

Our three phase approach



To deliver our objectives we need to be clear that there are certain current national policies which constrain some of our ability to act independently. While we can help influence them we do not have direct or total control. For example, we are unable, on our own, to resolve the current national disputes with the two main

Trade Unions. This has an impact on our ability to provide some elements of the long-term operational flexibility and resilience that we wish to put in place.

The objectives of our plan will be delivered in three phases, the delivery of each is already underway and will ramp up over the remainder of the year:

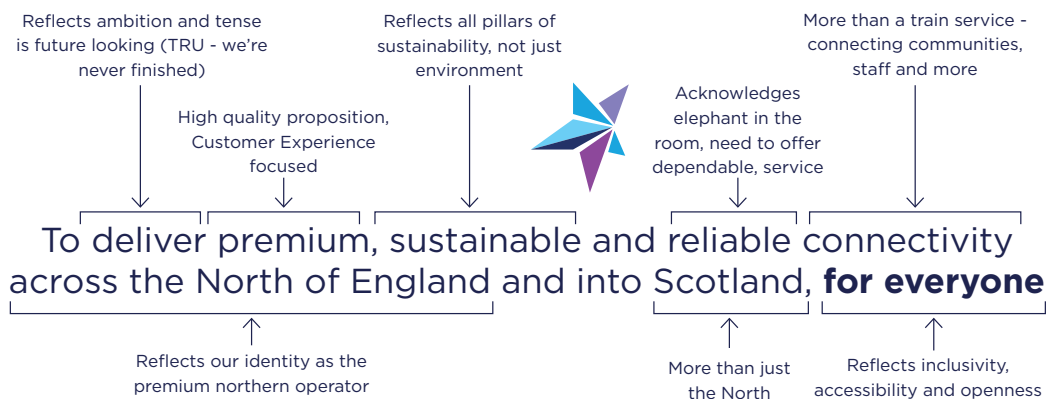
- **Stabilisation:** of our operational performance after nearly two years of poor service delivery, simplifying and rightsizing the business for optimal delivery, and re-setting our relationships with our customers, colleagues and stakeholders.
- **Re-engagement:** with our customers and delivery of a premium experience onboard and at stations and then incentivising them to travel with us from early 2024. We will engage with our stakeholders to deliver value for money and economic growth for the regions we serve. Changing the way we work by enhancing our digital capability across the whole business.
- **Transformation:** of our service offering by delivering TRU with new greener trains and depots enabling a significant timetable improvement which, alongside station investments, will lay the ground work for the delivery of Northern Powerhouse Rail.

Our Ambition

Our plan will address our operational challenges creating a stable platform from which to drive our ambition of delivering a premium travel experience - connecting communities across the North of England and into Scotland. To achieve this we will exhibit the collaborative behaviours and service culture required to offer a premium standard of customer service. This will drive the sustainable growth in journeys, needed to encourage modal shift, carbon reduction, and revenue to provide improved value for money and contribute to the economic wellbeing of the regions we serve. Gains which will form the building blocks to realise the benefits of the Transpennine Route Upgrade. This transformation is critical to securing the strategic objective of delivering the Northern Powerhouse Rail strategy, as well as realising the cross-border objectives of both the Scottish and UK Governments.

To realise this we aspire to ensure that our team represents the communities we are part of and serve so we can harness the diversity of passion, knowledge, skills, experience, and ideas to help our communities thrive and prosper.

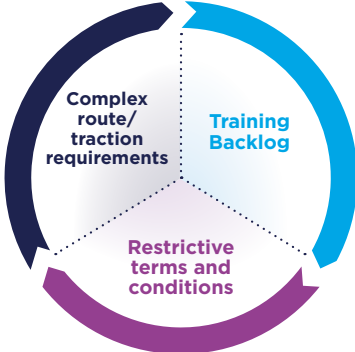
Our Ambition



The case for change

Our operational deep dive into performance, with industry experts, identified the underlying issues and the steps we need to take to deliver acceptable levels of operational performance for customers.

Three core factors affecting the business



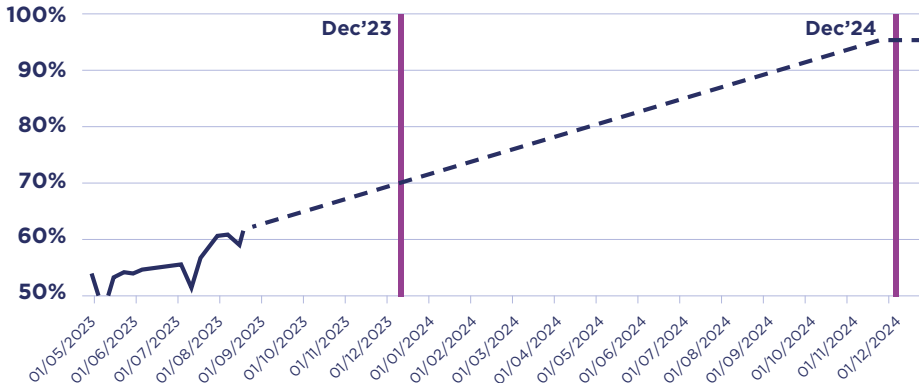
TPE faces three overlapping and compounding challenges:

- Complex route/traction requirements – only **64% of drivers have all the route and traction knowledge needed**
- Training Backlog – we have **c3,000 outstanding training days**
- Restrictive terms and conditions – mean limitations on flexible deployment of drivers for service and training do not offer the necessary flexibility to manage disruption, **short notice service alterations or competency gaps**

We need to recover from capability lost during COVID, to complete the roll-out of new trains and provide the diversionary route knowledge required to support the Transpennine Route Upgrade (TRU) programme. TPE’s historic reliance on recruiting trained drivers from other operators and relatively low turnover has changed significantly since COVID as the age profile of drivers across the industry has increased and TPE drivers have taken the opportunity of better paid roles with other operators. This coupled with the withdrawal of the RDW agreement with ASLEF from Dec-21 to Jun-23, compounded existing competency gaps, however this is now successfully renegotiated and having a positive impact, and has created the foundations of our recent operational problems.

With sickness rates and restrictions having also been above historic levels. In addition to the challenges of managing a backlog in training, TPE has also become extremely complex relative to its size. The spread of a range of different traction types across our wide geography and high turnover has led to perpetual training challenges. This, combined with the increasing route knowledge demands to provide diversionary services during TRU engineering works, results in poor operational performance. The Class 68 / Mark Va (Nova 3) sets are the key feature of this complexity as they take 4x longer to train than conventional traction and only part of the fleet can be deployed due to constraints placed on maintenance provision and a lack of operational flexibility. This issue is further exacerbated by poor technical reliability. From Dec-23 we will temporarily reduce our timetable, creating space to clear the training backlog (as shown below) and implement simplification measures to enable a robust and reliable increases in services from Dec-24.

Projected Driver Competency Levels



This complexity must be addressed if we are to provide the stable foundations needed to rebuild customer confidence and demand to secure the benefits of TRU.

Our approach

To implement the pace and scale of change that we have identified is now required, we will provide a clear sense of purpose and direction and an ambitious and single minded approach, working with our stakeholders in the Department for Transport (DfT), Transport for the North (TfN), Transport Scotland (TS), Rail North Partnership (RNP) and DOHL to reach consensus on the delivery of our plan. This is reflected in the strategic nature of our prospectus which will provide direction through to 2032.

We will work openly and collaboratively with our people and empower them to deliver for our customers and we will work in partnership with our stakeholders to deliver their strategic objectives for TPE and the region. However, it is important to be clear that there are certain current national policies which whilst we can influence, do not have direct or total control over and that this constrains some of our ability to act independently.

Our approach to the towns, cities, regions and businesses we serve will be open, inclusive and collaborative to build strong relationships, to deliver on mutual objectives to drive economic value, improve the sense of place, and drive accessible, integrated, sustainable modal shift. This is vital for the wellbeing of the North of England and Scotland as we have driven significant economic value for the regions we serve with the total economic impact of TPE's pre-COVID operations being £2,146m (2020 prices).

Our growth has driven economic value over many years and will do so into the future:

- The first decade of TPE's development delivered a significant transformation by connecting Northern and Scottish towns and cities by rail which has driven real growth in a very positive way, such as in the expansion of Huddersfield and its university and direct links to Edinburgh and Glasgow
- More recently securing added capacity to support continuing growth whilst facing a number of external challenges including COVID, alongside rail sector and internal issues beginning with the May-18 timetable change. Under new ownership we must stabilise and re-engage with our customers and communities
- Looking to the future we will deliver TRU and associated other investments, which will transform city to city and regional connectivity with investment in new trains, infrastructure and technology
- Ultimately we hope successful delivery of TRU will form the foundations for Northern Powerhouse Rail (NPR)

To deliver on this approach we will increase our levels of engagement and communication with our colleagues, stakeholders and partners to enhance collaboration and feedback, recognising the centrality of our people in delivering the services that help our communities thrive.

The deployment of these phases will deliver on our ambition and will be enabled by new ways of working, empowering our people to deliver for customers and our stakeholders, provide great operational performance and be digitally enabled to do so.

Initiatives and priorities

We have developed a series of initiatives that will be implemented during our three phases of transformation. These have been driven by discussions within our management team, a 'listening' exercise with our people, engagement with RNP and other key stakeholders, and a review of our DfT Business Plan commitments. To provide strategic focus we have prioritised our deliverables into our 'Big Five' themes.

Big 5 themes



- 1. Our people & culture:** are the enablers of all that we do. Our vision and values underpin our service delivery, and we will be undertaking an in-depth review of them during the autumn. The Managing Director will lead the implementation of this review and shape our overall approach as an organisation to delivering our objectives. We have already started to reset relationships with our colleagues at all levels to work collaboratively and openly.
- 2. Our performance:** we will take immediate and decisive action to recover train service performance starting with the delivery of the Dec-23 timetable and building on those changes for the Dec-24 timetable and safeguarding the delivery of TRU.
- 3. Our customers:** we will empower our people to deliver great customer service and operational performance, giving them the resources, training and mandate to do so. We will provide a secure and inclusive environment on our trains and stations to ensure that we are open to everyone.
- 4. Our communities:** we will embrace all those bodies with whom we have a relationship with from key stakeholders, such as DfT, RNP, TS and TfN, through to voluntary groups with local needs. We will establish a culture of openness with all of them. As part of our longer term objectives we will also build on our alliance working with Network Rail and on our role as delivery partner to TRU.
- 5. Our growth:** we will deliver financial growth to ensure the long-term sustainability of TPE, reducing our subsidy and delivering value for the taxpayer and the economy. We will enable environmentally sustainable growth to deliver integrated modal switch and carbon reduction targets.

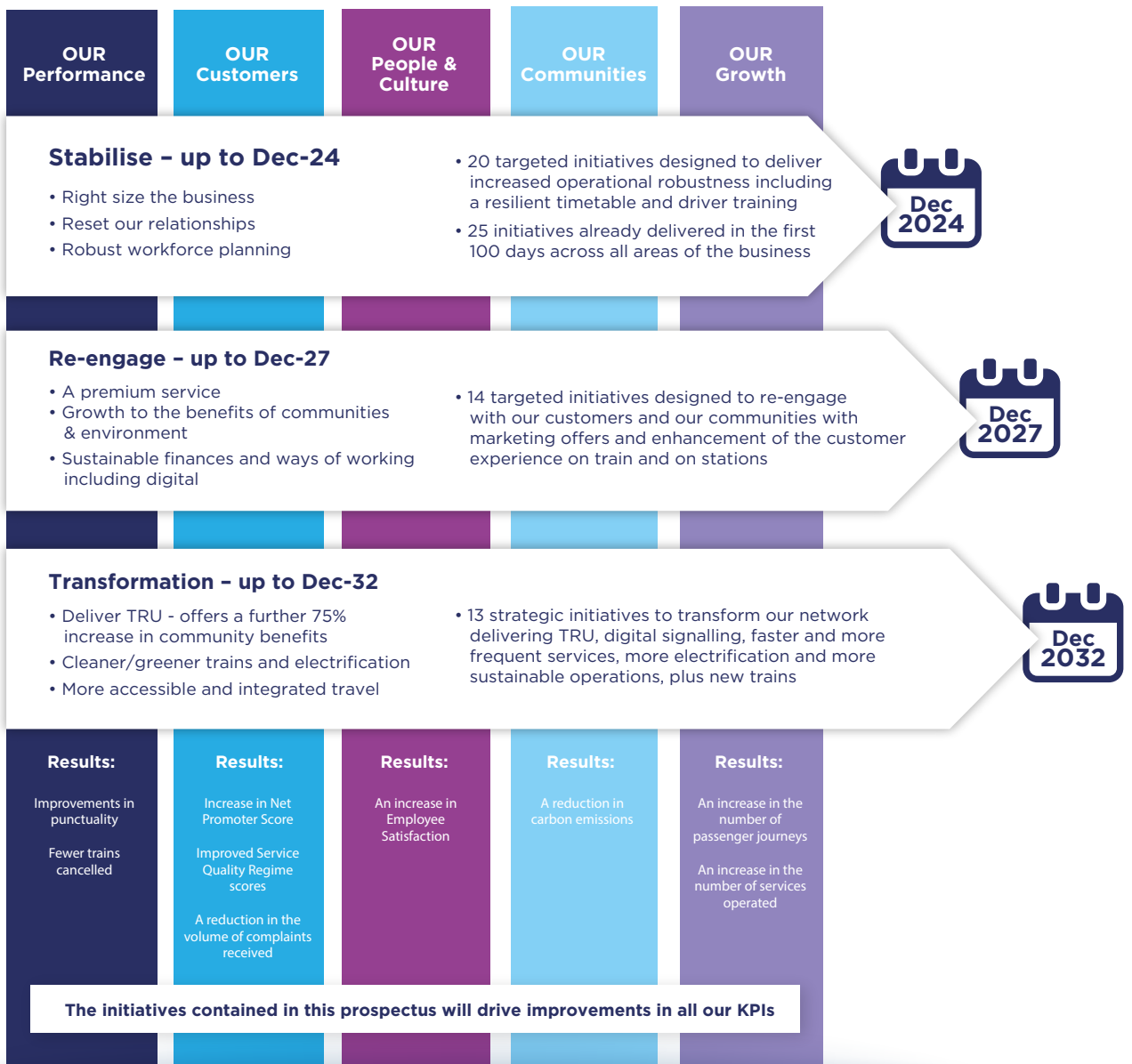
Prospectus Summary

Overall Summary of Our Prospectus

Our Ambition

Delivering a premium travel experience – connecting communities across the North of England and into Scotland

Our Big 5 Themes and Success Measures



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1. Overview - delivering our Strategy

Our ambition is **Delivering a premium travel experience - connecting communities across the North of England and into Scotland** – for our customers, our communities, our people and our stakeholders.

This ambition will form the basis of the wider exercise we intend to carry out to develop our vision and values. As part of this work we will consider the significant changes in our operating environment internally and externally that have taken place. COVID, the war in Ukraine and the cost of living crisis have all changed the external environment. Within the industry, industrial relations, workforce reform and cost pressures have created separate challenges. Our change in ownership provides a real opportunity to reset and consider these issues afresh.

It is vital that we ensure we have sound foundations to support our ambition and on which to move swiftly to deliver on our objective of long-term sustainable growth.

2. Stabilisation Phase - to 2024

2.1. Overview

We have identified three key areas that we need to address urgently during the remainder of 2023 to build the foundations for our future growth:

- **Reset our relationships:** our customers have had two years of unacceptable train service delivery. We will reset our relationship with them building on the back of our planned improvements in train service performance. We have engaged with our colleagues to establish how they feel and how we can work together better, and we are putting in place actions to address their feedback, whilst noting the challenges we face in being unable to address current national industrial relations issues independently. We have begun the process of resetting relationships with stakeholders, by being open and transparent about the changes needed to be made at the Dec-23 timetable change in order to provide customers with services they can rely on.
- **Right size the business:** we will implement a series of operational changes that will come together at the Dec-23 timetable change. This will include operating a deliverable timetable, through rightsizing work rosters, creating capacity for driver training and development of competence, and making changes to our fleet strategy. This will be supported by a larger and more robust Control and Operations team.
- **Implement robust workforce planning:** to ensure we have sufficient people with the right skills in the correct location to run all aspects of our services and facilities reliably and in a customer focussed way.

2.2. Reset our relationships

Our recent 'listening' exercise with colleagues has indicated a need for the senior team to respond better to concerns and feedback from frontline colleagues. We need to ensure that our managers have the skills, facilities and delegated authority to support and enable frontline colleagues to deliver for our customers.

As part of providing our management teams with the skills and support to enable them to engage confidently with frontline colleagues and customers we have launched our **Ambassador Programme** ('Our TPE'). This will also allow those colleagues who are largely office based to better engage with customers and frontline colleagues and provide an opportunity to gain valuable feedback. Feedback will be captured in a structured way via a specific email address to ensure information is collated and acted on.

The concept of **Let's Talk** is to build on existing engagement between line managers and frontline colleagues by providing a **colleague engagement tool** that managers will use to deliver real time feedback in response to ideas and concerns from frontline colleagues. This will provide the ability for the business to deliver quicker responses and actions to colleagues which will help build more constructive relationships and continual improvement.



We will **connect with customers** to win back their goodwill following over two years of poor performance, reaching out to existing, potential and lapsed customers through online and in person **customer focus groups**. These will be a mix of network wide and route specific so that we can engage on a variety of issues and reach those that have been impacted most. We will also hold **Meet the Manager** sessions quarterly at

various locations. These will be well promoted in advance to allow customers to chat with groups of managers on an informal basis, providing them with the opportunity to make suggestions and talk about their experience. All feedback will be captured to help drive improvements and the actions taken in response will be communicated back to customers.

Re-engaging with our stakeholders in the regions we serve is critical and we have started this process as part of our wider initiatives to ensure we deliver value for money and economic growth for them.

We will **re-engage with colleagues** at all levels and following on from our listening exercise we have undertaken a series of detailed **colleague focus groups**, to understand in more detail their mood and mindset. We especially wanted to find out



how they are feeling during this period of transition and their expectations for the future, in order to improve colleague engagement. Our communications are now more open and upfront and include 'Chat with Chris', the MD's weekly video update, which has been well received by colleagues.

We now have an opportunity to re-engage with customers and provide redress by offering a 'wow' factor on their journey via a package of **surprise and delight** opportunities. This will also re-engage operational colleagues to do something fun and empower them, after having had to deliver bad news and deal with frustrated customers for two years. The package of 'surprise and delight' events will range from coffee vans on stations giving customers coffee and cakes, to free catering onboard days, ice creams at stations, poncho giveaways for when it is raining and random acts of kindness via the recently introduced 'Charm' app.

The Charm app has been developed (by TCS a subsidiary of Tracsis) to give TPE colleagues the ability to give gestures of goodwill to customers on trains and at stations. It provides the facility to issue gift vouchers immediately for over 100 popular retailers ranging in value from £10 to £50. They can be used to deal with disgruntled customers at times of disruption or enhance the experience for a customer undertaking a special journey.

One of the consistent themes emerging from the recent colleague 'listening' exercise has been dissatisfaction with some aspects of the **current uniform** around the quality, comfort and range of garments available. A uniform should be comfortable for colleagues to wear and give them confidence in undertaking their roles and projecting our brand, so it is important we get it right, in consultation with them. We will appoint a dedicated project manager to deliver the programme and work with colleagues to address specific issues with the current uniform. In Mar-24 we will deliver a

newly designed tie/neckerchief to give our colleagues a fresher look. We will address failings with specific items of uniform by replacement with an alternative and/or a change of material in Sep-24. It is proposed to deliver a full brand new uniform by May-25, following a retendering exercise.

Summary of our initiatives to address our priorities

STABILISATION	2023												2024												2025				
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May					
RESET RELATIONSHIPS																													
Customer Focus																													
Surprise & Delight																													
S005																													
Engagement																													
Ambassador programme																													
S001																													
Colleague focus groups																													
S004																													
Lets Talk																													
S002																													
Continuous improvement																													
S027																													
Customer focus groups																													
S003																													
Reputation																													
Uniform Refresh																													
S018																													

2.3. Rightsizing the business, operational simplicity, resourcing and discipline

We have identified a series of initiatives that we will implement at the Dec-23 timetable change to improve operational delivery and performance.

We have identified that removing **Class 68 loco-hauled trains (Nova 3)** from the timetable is a significant opportunity to simplify the business, improve our performance and smooth training delivery for trainee drivers. There remain some risks that, while removing the trains will improve performance, increasing growth, may in turn create possible longer-term overcrowding. This will be monitored closely and we are working on a range of options to mitigate this which may include reintroduction of the Class 68 fleet subject to substantial investment in depot facilities and retraining needed to fully deploy the fleet reliably. However, given limitations on fleet deployment with only half the fleet being able to be put into service, the reduction in seats will only be 5%. The remaining fleet is still more than 60% larger than it was in 2018 with demand over the same period very much reduced. These trains are nearly three and a half times more expensive to operate per vehicle mile than the average for other TPE fleets and there are several issues around stabling. The time to train traincrew at 20 days is significantly more than for other fleets. The trains are currently leased until May-24. Allowing these trains to go off lease would enable the development of a more flexible depot strategy for Class 397 and Class 802 trains.

We will provide **room in the Dec-23 timetable for training**. Temporary timetable reductions between Dec-23 and Dec-24 to 3tph Off-Peak (4tph during the peak), between Leeds and Manchester will release traincrew, trains and network capacity to enable us to continue to address our training backlog and develop diversionary route knowledge in support of TRU. This will help us bring more trainee drivers through to full competency and continue the development of existing qualified driver knowledge. These changes will also help deliver improved reliability which will provide more capacity for customers, through fewer cancellations.

Trainee drivers need to be assessed as competent on a route and traction basis before they can be passed out and we have strengthened our Operations Standards team to ensure we have the capacity to do this and avoiding any delays in the final stages of training. We have also identified that an increased level of restrictions on traincrew were impacting performance and accordingly we have increased our establishment of Operation Investigation Managers by four FTE to support prompt and timely conclusion of investigations.

It is not just the provision of traincrew where we are taking action to improve our performance and resilience. Historically we have operated very lean planning, rostering and control teams. This has become increasingly difficult to sustain due to a combination of factors. In an uncertain and disrupted business and a challenging industry environment, an increased level of turnover has created a vacancy gap and exacerbated the overstretched conditions for colleagues.

We have worked closely with RNP to identify and agree the enhanced level of resources required to deliver improved resilience in these teams, recognising the likely long-run environment around national industrial relations uncertainty, TRU and other investments.

We are reassessing **our approach to TRU**. As new trains are delivered, we will focus on rapid decarbonisation by maximising the utilisation of newly electrified routes. We are working with Northern to determine how we respond jointly to proposed TRU engineering blockades. We are modelling post-COVID demand, and the capacity required between Leeds and Manchester, to ensure an optimal plan for customers. We will continue to work with Network Rail and Northern through the existing forums of the **Marketing Working Group** and **Strategic Communications Group** to refine and support the three strands of the TRU marketing communications strategy of Hero, Highlight and Headway. We will ensure that customers realise that the railway is still open for business whilst TRU work is being undertaken, and wherever possible, we will seek to keep customers on trains rather than travel on rail replacement bus services to ensure a more relaxing journey.

The changes we are making in Dec-23 will provide the foundations and **resilience for the Dec-24 timetable**. By Dec-24 we will have cleared our driver training backlog and be in a position to increase North Route services to 4 trains per hour between Manchester and Leeds. The details of the timetable to be reinstated must respect that services on the East Coast Main Line are subject to the outcome of the ongoing discussions on the draft timetable, generally referred to as the ESG (Events Steering Group) timetable process for services on that route.



These changes are not expected to be simple to resolve to the satisfaction of all stakeholders, without the release of infrastructure interventions required to be funded and delivered to enable an additional path between Newcastle and York as outlined in the 2021 Integrated Rail Plan.

Our relationship with stakeholders has been severely affected by our poor operational delivery with our stakeholder satisfaction score at 47% currently, compared to 81% in 2021/22, against a target of 90%. We have moved quickly to become

more open and transparent with stakeholders about the issues we face. How we communicate and address stabilising performance and growing customer volumes to support local and regional economies has been our first test of this. We have already undertaken extensive briefing and discussion of our plans with stakeholders, this has included presentations to the Secretary of State, members of the Rail North Committee and TfN Board. That productive engagement continues and will be followed up with a **stakeholder conference** to help shape the delivery of the prospectus. We will also arrange an investment planning event for TfN members, Transport Scotland and the successor organisations to the LEP network to present partnering and funding opportunities.

In parallel with this we will launch a **customer engagement plan** to ensure that customers are fully informed about the changes we are making.

Fleet performance has suffered in several ways over the past few years. This has impacted customers through increases in delays and cancellations and a reduction in service quality. The removal of our Class 68 fleet will allow us to address underlying issues with our depot maintenance strategy, which has compounded our wider operational poor performance. The changes we are proposing will focus on our Class 802 and Class 397 fleets in three areas:

- improve flexibility of depot on/off timings which are currently extremely constrained
- reduce the number of Class 397 trains out stabled and review the maintenance contract
- seek to reduce reliance on Doncaster depot for Class 802 train maintenance by Dec-24

Maintenance and train cleaning have been disrupted by poor performance, and this has directly impacted the customer experience of the condition of our trains. We are implementing a series of **improvements in train presentation:**

- **Replacing seat covers with more durable and easier to clean fabrics:** all our trains have 'flat cloth' seat covers with the exception of First Class in Class 185/397. Our experience has been of severe vulnerability to unsightly staining which, once formed, requires dry cleaning or machine washing to remove and where such washing limits the life of the cover. We are now implementing fleet-wide replacement with conventional heavy duty moquette seat covers (Sep-23 to Oct-24), noting that Northern have completed a similar replacement programme on their fleets.



- **On train toilet standards:** have recently been an issue with trains entering service with toilets locked out of use or failing in service. This is a particular issue on Class 185 trains on South Route services. We have identified a series of improvements that will be reviewed for Class 397 (Sep-23) trains also. We deploy mobile CET and Tanking operations at Liverpool Lime Street Station and will review and implement a scheme to enhance overnight CET completion at Cleethorpes (Sep-23 to Jan-24). The Class 185 units will also undergo an acetic flush (Mar-24) to remove waste residue from the inside of pipes and tanks in the foul water part of the toilet system to increase reliability and effectiveness of flushing, reduce pipe bursts and increase effective tank capacity.
- **Class 185 trains refresh:** this will include replacement of external vinyl bodyside wraps, replacement of seat covers and carpets, and a comprehensive interior deep clean.

It is vitally important to their wellbeing that all our people have well maintained and equipped **colleague accommodation** in which to take breaks and that office based colleagues in addition have suitable good quality workspace. We will build on work already undertaken at Preston, York and Manchester during 22/23 and we will invest in improvements to colleague accommodation in Newcastle, Hull, Glasgow, Manchester Airport and Toft Green (York) during 2023. We will develop further proposals during 2023, for implementation in 2024, to refurbish and review options for Liverpool, Cleethorpes and Sheffield. We will also work with Northern to look at the opportunities for improvements at Leeds and Manchester Victoria.

As part of this we will work collaboratively with Northern and Network Rail to develop shared facilities. We will review plans for the accommodation required to address changes in control and rostering and develop proposals for a rolling programme of station accommodation refurbishment and improvement.

Summary of our initiatives to address our priorities

STABILISATION		2023						2024						2025											
		Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
RIGHTSIZE THE BUSINESS																									
Operational improvements																									
Dec-23 Readiness	S007																								
Cl802/397 catering equip	S024																								
Timetable resilience	S008																								
On train toilet performance	S021																								
Flat cloth seat covers	S023																								
Class 185 refresh	S026																								
Mk5a withdrawal	S022																								
Depot review	S010																								
Staff accommodation	S019																								
Stakeholder engagement	S009																								

2.4. Workforce planning

In order to recover our operational performance and avoid future issues we will implement a series of initiatives to improve our approach to, and management of, workforce planning. This has required the strengthening of our capability in this area, and we have substantially strengthened the team during 2023 to improve our delivery.

We will take action to address our **training backlog** for drivers (and conductors). Upon DOHL taking control of the business, just 50% of drivers signed all of the routes and traction required for the work that is undertaken by the link that they operate in. On a weekly basis 12% of diagrams are assigned to a driver who does not have all the required route knowledge. The training backlog, in terms of the person-days of training required to bring all currently qualified drivers up to 100% route and traction knowledge, equated to 5,000 days in Jul-23.

We will ensure all our drivers and conductors are competent to deliver the long-term plan and operate diversionary routes required by TRU. As part of this work we will address both drivers and conductors and ensure we better understand recruitment profiles and the number of colleagues leaving the business, as well as clearly stating our assumptions around Rest Day Working (RDW) and Terms & Conditions (T&Cs), which will be based on our application of industry best practice resource planning tools.

To deliver the number of traincrew required to operate our services consistently and reliably requires us to improve our management of **trainee recruitment** to ensure it is fully integrated with our training programme and the required timely output of qualified people. The requirement for new trainees will be heavily influenced by work underway to **improve rosters** for the Dec-23 timetable. We currently have shortfalls of drivers against our establishment in two locations, Manchester East and York driver depots, where we have experienced high turnover due to drivers moving to other operators or retiring and we have plans to manage this.

A key aspect of delivering our Stabilisation Plans is ensuring we have the right resources. We've already made really positive progress in this with recruitment over the past few years and going forward heavily focused on bolstering our front line delivery teams.

Increasing the **workforce planning team** has been a key focus over the past 12 months, with the resources invested in effective management and delivery of driver training and throughput of trainees. The small team of two, also responsible for day to day driver management, was not sufficient and has been reinforced by bringing in a further Operational Change Manager, four Administration support and Training coordinators, two Area Driver Managers and a Crew Resource Strategy Manager, all supported by improved analytical support.



One of the key feedback items from the recent ‘listening’ exercise was concern expressed about the level and quality of communications between the control office and traincrew. We have identified the need for ten **Depot Supervisors** based at York and Manchester to stabilise and drive improvements in operational performance. They will play a critical role between Control and frontline colleagues to improve essential communications and information flows. They will ensure exceptional levels of compliance across safety, standards and delivery to customers and will be particularly important during times of disruption. This approach is consistent with the approach taken over the past two years in which we have focused on bolstering frontline, Customer Service and Operations teams.

This enhanced capability will be further bolstered by the appointment of an Operations Director who will be vital for the delivery of the stable and robust service our customers and stakeholders need.

We have identified the need to digitally enable the business to ensure we are **using data to inform our analysis and decision making**. During 2023 we have made a number of operational changes that are not optimised. We will review these and seek to simplify them to help our frontline managers focus on the key tasks at hand. We will deploy technology to improve these processes and provide up to date Management Information which can be quickly assessed and understood at all levels in the organisation to drive transparency and accountability.

There are a number of areas across the business where we have in the past been dependent on services supplied by FirstGroup or its subsidiary companies. We are already working quickly to replace these, or where we are retaining them, adapt our relationships to a more formal customer-supplier relationship and changing our behaviours accordingly with closer monitoring of KPIs.

Summary of our initiatives to address our priorities

STABILISATION		2023						2024						2025											
		Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
WORKFORCE PLANNING																									
Operational improvements																									
Enhance Control & Rostering	S014																								
Train crew supervisors	S015																								
Training																									
Improving route knowledge	S011																								
Trainee drivers	S012																								

3. Re-engagement Phase - to 2027

3.1. Overview

We want to deliver a better experience for our customers and ensure that they are the focus for all that we do and in so doing regain their trust and give them the confidence to travel with us again. From a base of stable performance we will focus on:

- **Customer: providing our customers with a premium experience** - to deliver this we will listen to them and better understand their needs, ensuring that we have the metrics in place to track our progress. We will train and empower our colleagues to meet those needs and provide them with the skills to deliver for our customers. We will enhance the customer experience across all touchpoints for their whole journey, from choosing to travel with us, through retailing and the station and onboard experience.
- **Community: bringing the economic, social and environmental benefits of growing rail travel to our communities** - as our train service performance stabilises, post the Dec-23 timetable change, we need to win back customer trust and confidence and stimulate revenue recovery, but do so carefully when the time is right. This will allow us to deliver value for our stakeholders and the regions we serve and start to enable a reduction in subsidy.

- **Digital enablement:** we have identified that greater digital enablement and being more data informed in our decision making will be a key element in our new 'ways of working' across the whole of the business, at all levels, and in all disciplines.

3.2. Customer: providing our customers with a premium experience

Our ambition is to deliver reliable, premium services and in the process, regain customer confidence after a period of sustained poor performance. To deliver this we need to be informed by customer insight and then move swiftly to initiate improvements.

Our **customer insight package** includes Customer Service Monitor (CSM), formerly Shadow NRPS, mystery shopping, post-trip email surveys, social media feedback, complaints data, First Class surveys as well as selected industry publications. Across these channels, we measure key metrics including Net Promoter Score (NPS) and Customer Satisfaction (CSAT). Our audit based Service Quality Regime (SQR) measures aspects of hard service delivery against defined standards. Improvements are managed via our Insights and Improvements workshops that are held periodically.

Our **customer satisfaction scores** have performed better than expected given our operating performance over the last 18 months. Overall journey satisfaction averages 83% satisfied, peaking in P2301 at 90% and dropping to its lowest point of 76% in P2310. Our NPS has also followed a similar trend averaging +4, peaking at +26 in P2301. NPS strongly correlates with satisfaction with punctuality. Once punctuality declined from P2308 our NPS started to decline.

Customers continually score our **front line colleagues** highly and provide praise through all channels. Our SQR results show that our Social Media team have scored 100% for the last four periods running and average 93.55% since P2301. Staff Helpfulness onboard and at stations averages 93.52% over the same period. Our contact centre has logged 480 counts of praise and our mystery shopping programme averages 96% for questions relating to colleagues.



On the CSM survey, onboard attitude and helpfulness of staff has been one of the highest scoring metrics, averaging 86% since P2301. All of our insights channels are consistent in the high scoring of our staff, results that are very positive given the challenging operating environment they have been faced with.

To deliver a premium customer experience we need to re-define our **customer service standards** and understand what 'Delivering Great Service Every Day' looks like and ensure we have a standard for each customer touchpoint that we can deliver and measure our performance against. This will allow us to create and embed a service culture that rivals any other train operator and keeps our proposition competitive with brands outside of the industry who are synonymous with great service. This will allow us to win back the confidence of customers and attract new ones.

We will use our membership of the **Institute of Customer Service** (ICS) to assist in benchmarking our performance and participate in the annual conference, join webinars and training sessions and share best practice with other members of the institute. One of our Executive colleagues is one of the Vice Presidents of the ICS, allowing us to open discussion easily with other Senior members of the Institute and share best practice.

During 24/25 we will commence work on our **Customer Service Accreditation**, surveying customers and colleagues to truly understand areas of improvement and we will work closely with the ICS and Customer First UK to achieve this accreditation, on a station by station and route by route basis.

First Customer Contact (FCC) is our **contact centre supplier**. We will extend the contract for two years to allow us to evaluate long term options prior to undertaking a tender, and review the current KPI regime to deliver incremental improvements. In addition to this we will introduce a Chatbot to assist our colleagues in improving customer satisfaction and making us more responsive.

We know from customer insight that colleagues deliver some great customer service and we need to ensure that they have the tools, training and authority to deliver a premium customer service offer. We will review the content of our current **customer service training** programme, in line with our updated customer service standards, and the resources we have to deliver it. We will work with an external provider to develop the content and bring in an external training supplier to deliver the programme more quickly than we could do with in-house resources. As part of the delivery of the programme we will train additional in-house trainers for longer term delivery.

Many of our customers travel with more than one train operator on their journey. Over the last year, just under two thirds of journeys, 62%, on our services started and ended at a non-TPE managed station. It is critical therefore, that we are doing everything we can to collaborate with our industry partners to ensure the interests of our customers at our non-managed stations are identified and considered.

To this end we have recently introduced new **Customer Ambassador** teams at Glasgow, Edinburgh, Preston, Liverpool, Sheffield and Doncaster, which has been warmly welcomed by other train operators. We will build upon the team's capabilities in providing a TPE presence at those locations, and their support for our customers during times of disruption.

We will consider how we can work more closely with Northern on the development and delivery of more coordinated and efficient approaches to **rail replacement delivery** during times of unplanned disruption. We will also work with them to explore opportunities to work collaboratively on joint security deployments across our services.

Where colleagues at stations currently carry out dispatch duties for some TPE services and those of other train operators, we will carry out a **review of dispatch** arrangements at those stations to understand how we can introduce more efficient approaches.

The key differentiators of long distance premium train travel is the number of customer service representatives onboard and the quality of the onboard **catering offer**. Our customers tell us in our First Class catering survey that we introduced in Jun-23, of the importance of an enhanced offer in terms of choice and comparability with other long distance operators. We have identified an opportunity to improve it as a contributor to growing revenue. Our current catering offer is fragmented and under invested, with only one member of onboard crew serving into First Class and Standard on a five car train. There are opportunities to introduce a more extensive menu and at seat ordering if the number of onboard hosts is increased.

We are working with our supplier Rail Gourmet to develop a 12 month pilot of an enhanced level of catering provision in First Class on our Anglo-Scottish services using two customer hosts on each train. The new offer will allow us to position ourselves more strongly against other long distance operators such as AWC and LNER.



Whilst the exact menus are still under development there will be more substantial dining options produced using locally sourced products from along the route. The presence of a dedicated customer host in First Class will allow us to deliver a more consistent service to our customers from providing a warm welcome onboard to a farewell at their destination. In Standard, customers will benefit from the ability to order at seat with multiple trolley services delivered throughout their journey. The detailed roll out plan is being finalised with the aspiration to launch in Jan-24 subject to final approvals being confirmed.

Anglo-Scottish services are operated by Class 397 and some Class 802 trains. All three Nova fleets have experienced on train catering equipment reliability issues since introduction. Fleet will ensure



that galley equipment essential for success in this project is operating at a high level of readiness with modifications completed prior to the launch in Jan-24. Noting that that maintenance of reasonable spare part stock levels is the liability of CAF for the Class 397 and Hitachi for the Class 802 fleets.

We are Station Facility Operator (SFO) at 19 stations. This small number and the availability

of funding from TRU and other external sources provides us with an opportunity to undertake a programme of enhancements on a structured basis. Our objective being to drive improvements in a number of key areas.

Our approach to **safety, and safeguarding** is about keeping our customers and colleagues protected and feeling safe while using our services, and is one of our key strategic priorities. Much work has already taken place in this area, including the opening of the **Safer Hull Paragon Hub**, replenishment of our **body-worn cameras**, ongoing close working with the British Transport Police, and introducing more than **thirty Safeguarding Champions** across our network. All our stations and car parks have achieved Secure Stations accreditation, and we have attained **Safeguarding on Rail** accreditation, reflecting our commitment to training our colleagues in safeguarding. However, we must constantly strive for improvement in this area, and we will do this in the following ways:



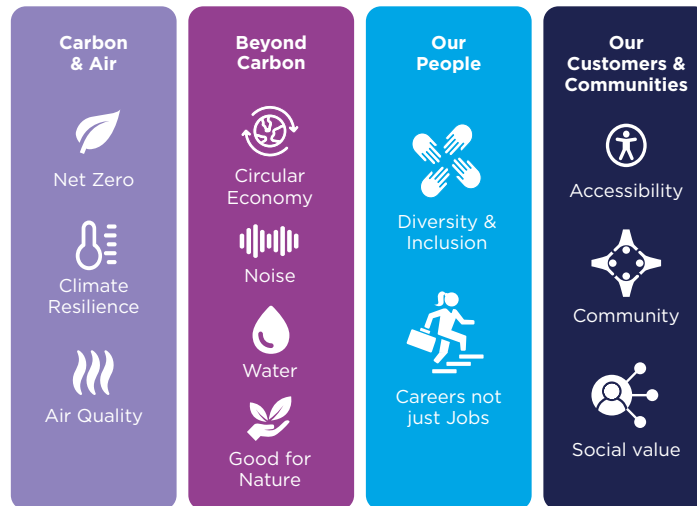
- We will implement a **Safeguarding Innovation Day** at least once a year with our Safeguarding Champions, and other colleagues, to identify opportunities to improve our safeguarding approaches and, crucially, introduce innovation into how we monitor and respond to safeguarding activity.
- We will work with our industry partners to develop a calendar of safeguarding events across our network, focused on promoting awareness of various key initiatives like County Lines, unwanted sexual behaviours, and violence against women and girls.
- We will promote the **Railway Guardian app** to our customers and colleagues across our onboard, stations and digital touchpoints, and ensure internal processes are in place such that any feedback that comes via the app can be acted upon quickly and effectively.

We are proud to connect the diverse communities we serve across our network and our aim is to embrace equality, diversity and inclusion to build knowledge and confidence to foster and embed a companywide culture of inclusion. We have already made some great progress with our LGBTQ+ and Neurodivergent Networking Groups now well established and plans to introduce Gender Balance and Accessibility Networks too.

Being more inclusive will help us better serve our customers by being more representative of the communities we operate in, be more creative through diversity of thought, allow us to have faster and more evidence based problem solving, reduce turnover through improving colleague engagement and satisfaction and make us a more attractive employer of choice.

Our **four sustainability pillars** support our vision and approach to sustainable development. The ‘Carbon & Air’ and ‘Beyond Carbon’ pillars establish our environmental sustainability goals. ‘Our People’ and ‘Our Customers & Communities’ pillars set out our social sustainability goals. These pillars align with the UN Sustainable Development Goals.

TPE four pillars of sustainability



Our sustainability ambition is:

- Everyone included, no one left behind through adaptive and flexible solutions changing the way we do things to support independent travel for everyone.
- Sustained performance including environment, social and economic aspects. Frontline teams engaged on improving performance.
- Deliver a positive legacy to transport decarbonisation through modal shift and improved service quality via our accessible and sustainable service approach.

We will improve **accessibility** by making improvements for all protected characteristics to ensure equality of access for all customers as part of an inclusive approach to restoring trust and confidence in our services. Some of the initiatives we will undertake include working with community groups to implement ‘Try the Train’ days to familiarise people with travelling by train and to break down barriers to doing so. We are also looking to work with organisations such as the National Autism Association to improve the assistance we provide and to develop adapted waiting spaces. We will continue to utilise more traditional external sources of industry funding, particularly to improve physical access to stations, including DfT Access for All, local authority and TRU funding.

To improve **integration** we will work with local and regional authorities to enhance multi-modal integration and active travel schemes, including supporting the implementation of PAYG in Greater Manchester and elsewhere.

We will engage with the **communities** we serve to deliver greater community ownership of stations to increase patronage from hard to reach groups, working with Community Rail Network and other community interest groups and sharing best practice with Northern.



We have identified a series of quick wins around specific locations:

Hull Paragon Interchange

Over the last year we have improved our relationship with stakeholders in Hull, particularly with Hull City Council, partly through our management of the Interchange and collaboration on outputs that will improve the ambiance, reduce anti-social behaviour and attract more visitors/spend to Hull. To build on this work, including the opening of the Safer Hull Paragon Hub, and to mark the 175th anniversary of the opening of the station, a package of high impact customer facing initiatives are proposed that will help improve further the ambiance of the station.

Phase 1: Oct-23

- Order 30 new replacement benches
- Order new welcome banners to be hung from the roof
- Order trees to be placed within the main concourse areas
- Order of a permanent tall Christmas tree and lights for the Interchange
- Order a digital screen to be installed in the window of the Safer Hull Paragon Hub
- Implement 175th anniversary events including stakeholder reception in former ticket office

Phase 2: Dec-23

- Progress permissions for installation of a second wide gate to the gateline and implement



Toilet refresh

We have several stations where the toilets are tired, life expired and are failing SQR assessments. This impacts the overall journey experience and conveys a negative impression of us to the wider community. Our SQR results have also led us to set up station toilet working groups and we have introduced FeedbackNow smiley face buttons in the toilets at four of our larger stations. These buttons provide us with real time alerts to our cleaning teams to rectify any issues as they arise. Our refresh proposal is for a quick win by investing a modest amount of funding in implementing existing GRIP 4 ‘spade ready’ studies for toilet refurbishment works at Thornaby, Northallerton, Thirsk, Grimsby Town, Huddersfield and Hull.

Painting refresh

We have inherited a backlog of maintenance from the previous franchise. To support our wider re-engagement strategy we will repaint our entire estate (stations, platforms and car parks) to deliver a feeling of freshness and newness. As part of this work we will discuss with TfGM opportunities to brand Stalybridge and Manchester Airport in Bee Network colours as part of strengthening our relationship with them.

Summary of our initiatives to address our priorities

RE-ENGAGEMENT		2023					2024										2025						
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
CUSTOMER																							
Training																							
Service standards and training	E001																						
Investment																							
Community station investment - toilets	E010																						
Community station investment - Hull	E002																						
Service enhancement																							
Enhanced catering offer	E003																						

3.3. Community: Bringing the economic, social and environmental benefits of growing rail travel to our communities

As our train service performance stabilises, post the Dec-23 timetable change, we need to win back customer trust and confidence and stimulate revenue recovery, but we need to do so carefully only when the time is right. Our marketing plan contains the initiatives to do so.

The first initiative is to incentivise customers to make a journey and see for themselves that the service has improved, and we are proposing a high value discounted **Win Back Sale** led by a £1 Advance Purchase ticket offer. This would potentially sit alongside an offer for weekly and monthly season ticket holders to purchase discounted smart season tickets via the TPE website. Promotional activity will take place provisionally in early 2024. The offer would be evaluated by tracking retail sales by time and date of travel with the potential to run a post purchase survey to measure abstraction and propensity for future journey opportunities. Customer sentiment would be monitored through existing channels.

The second is marketing activity to reach a wide leisure audience across the North and Scotland with an advertising **campaign to inspire and encourage leisure journeys**.

This campaign would be based on the theme of 'Getting Together' and encourage days out across the network, with supporting tactical campaigns, to reach those audiences flexible to travel midweek such as the young (students), an older audience (over 55s), remote workers with longer weekends, as well as building back business travel. The outcomes would primarily track sales and journeys with a focus on ROI through econometric evaluation. Additionally, brand tracking research would measure improvements in brand health, focussing on Net Promoter Score (NPS), brand engagement and willingness to travel.

A key part of **recovering revenue** growth, as performance improves and journeys increase, is ensuring that those customers who are travelling with us have paid, by improving our revenue protection activity. Ticketless travel is assessed as 3.5% currently.



Digital tickets account for 75% of all journeys and we need to counter new opportunities for fraud. Scanning of digital tickets is essential to prevent digital fraud and we need to continue to work with TU colleagues to resolve issues over incentivising conductors to scan tickets as a matter of urgency, in consultation with our stakeholders.

We have identified an opportunity to enhance our capability through changes to our Revenue Protection Team. We will increase the number of Revenue Protection Assistants at Manchester

Piccadilly (x3), York (x3) and Manchester Airport (x1) due to the frequency of services travelling through these locations allowing us to focus our operation on the core TPE route. The increase in headcount at York will allow us to cover the majority of 6 car Teesside services and increase our activity between York and Leeds where we know ticketless travel is higher. We will create a new role of Senior Revenue Protection Officer East to reflect the larger team. We will also recruit an additional Investigation & Prosecution Manager and a new role of Revenue Protection Analyst to ensure that our activity is informed by accurate data and that we have the resources to follow through on prosecutions. The team will be supported by a new post of Revenue Protection Trainer.

We already work closely with Northern to counter fraud, and the enhancements we are making will enhance our capability for co-operation.

To assist our re-engagement with stakeholders we will review the opportunity to create a **Stakeholder Advisory Board**. The Board would comprise regional representatives and have an independent chair. It would be a confidential forum for discussing and seeking feedback on current and proposed operational matters and provide advice and guidance on proposed customer developments.

Following TPE's departure from FirstGroup (FG), we have lost some aspects of **community outreach** previously managed through FG, including the loss of a corporate charity partner and our ability to match fund donations to charity from our colleagues. We will develop our own social impact in this area through the creation of a new corporate charity partnership, which is representative of the issues and causes in the North of England and Scotland. This will be managed from within the Sustainability team, and we will seek funds to be able to continue match funding of community outreach activity.

Summary of our initiatives to address our priorities

RE-ENGAGEMENT		2023					2024										2025						
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
COMMUNITY																							
Campaign																							
Win back sale	E006																						
Tactical Promotions	E007																						
Getting Together campaign	E014																						
Recruitment																							
Revenue protection	E008																						
Ways of working																							
Building a regional focus	E012																						

3.4. Digital enablement

We have identified that greater digital enablement and being more data informed in our decision making will be a key element in our new 'ways of working' across the whole of the business, at all levels and in all disciplines. In this section we have identified some of our early priorities and existing best practice.

Our **legacy control and rostering systems** are no longer fit for purpose and we will replace them with modern systems offering much improved user interfaces, enhanced processing and optimisation capability, easier process flows and improved management information. Systems used by the Service Delivery teams (Control & Resources) to allocate crew and stock to diagrams, we will seek to replace, via modern up-to-date systems, including apps for frontline colleagues to enable them to sign on/off, view rosters and diagrams, request leave and make themselves available/unavailable for rest day working.

In addition to providing improved functionality it will replace life expired equipment. The project will enable the implementation of 'TrainPlan' (Signature Rail), the **new train planning system** which will replace the legacy system currently in use.

During 23/24 we will complete development and testing of a new **schedule builder** tool, introducing automation to the process of opening our services for customer bookings. This will speed up the process, reduce the risk of error, provide longer term IT support, reduce analyst time requirements, and provide revenue opportunities for selling more seat inventory. This initiative exploits the modern data export capabilities of our new TrainPlan system to source complete, up-to-date timetable and stock data automatically. This data feed will be processed by Mistral Data Limited into a format for import into the industry reservation system S3 Passenger (S3P) (supplied by Sqills). In the medium term as our timetable and demand patterns stabilise we will work with the Ventoux Development Group (VDG) to test, and if successful, implement demand forecasting and price optimisation functions within Ventoux, our **Revenue Management System**. These functions should increase revenue and decrease crowding. We will also work with VDG to generate and implement other development ideas. To build on these developments we will work with Network Rail to push booking horizons beyond T-12 with an aspiration for T-52.

We currently use a number of **best in class analytical platforms** which informs our commercial and financial analysis, and this approach is being rolled out currently into our workforce planning and operational standards teams to support the delivery of stable operational performance. We will build on this and the enhanced information available from the replacement of control, roster and planning systems to ensure that all parts of the organisation apply best in class tools, techniques, processes and systems to ensure we are always focused on what is most important to our customers.

We are very willing to collaborate with other regional partners as part of the development of our **future retailing strategy**, which is designed to support and drive the adoption of digital retailing, making our systems easier for the customer to use, and drive down our retail cost of sale. Ensuring from a cash and digital inclusivity perspective we do not leave anyone behind, we are working closely with Northern as part of their convenience store retailing pilot.

We will review our retail channel strategy in the context of cost of sale and also our approach to the replacement of Ticketing Issuing Systems (TIS) as contracts for both become due for renewal. We are working with Northern to implement **Pay As You Go** (PAYG) across the Greater Manchester area in collaboration with TfGM and we will work in partnership with them to deliver their Trailblazer deal. This will involve modifying our Automatic Ticket Gates (ATG) and the introduction of new station and onboard equipment. As our contracts for station and onboard equipment expire in 2025, we will potentially be running a procurement exercise jointly with Northern in 2024 as they use the same systems. We propose to adopt the new Worldline tablet retailing devices to improve our group sales offer.



We will shortly complete the installation of 47 new **Ticket Vending Machines** (TVMs). Over the next two years we will increase the range of products they can sell and improve their accessibility and useability in response to customer feedback. We will introduce remote video assist on the back of the initiative to improve station connectivity.

Trainline.com handles around 70% of our online ticket sales by value. Given this value and their low cost of sale, only 5%, we will engage with them to improve customer communications, reduce digital fraud and grow revenue. This will build on our positive relationship established last year to communicate service changes during short-term timetable changes and industrial action. Our own WebTIS contract with Worldline expires in Nov-24 at the earliest or May-25 at the latest, if we can negotiate an extension, and we will review our options to tender for a white-label or affiliate provider.

We recognise that the continuing customer preference for digital purchase and fulfilment, purchase from TVMs and convenience store retailing, make it essential that we plan strategically to reimagine our 19 stations. We are in dialogue with Northern to agree how their **Stations as a place** concept, as designed for their 18 largest hub stations, will integrate with our requirements and we propose to establish a joint Stations Board with them to deliver this. Only two of our stations feature in the top ten by earnings or volume for us; **Huddersfield** and **Manchester Airport**, and it's vital from a revenue and customer experience perspective that we continue to develop positive relationships with the other SFOs.



We will continue to liaise with GBRTT where their activities may impact our retail strategy.

The **connected train** has the potential to improve the customer experience, improve fleet maintenance and assist Network Rail with asset condition monitoring. We will continue to invest financially and collaboratively in the connected train concept to optimise the ability to improve onboard customer experiences and enable swifter fault identification and rectification across networked systems on our fleets.

We will work in partnership with the public and private sector to optimise mobile communications to and from our trains. The delivery of reliable **5G connectivity** with trains will allow customers to watch films and work more easily as well as providing high quality voice calls. Operationally it will provide diagnostic data on the condition of trains while in service to allow maintenance depots to better plan before a train arrives for maintenance, as well as allowing in saloon and forward facing CCTV to be viewed in real time. From a Network Rail perspective it will allow service trains to collect asset condition information. This will provide more continuous data to improve safety through better monitoring and removing people from manual track inspection, as well as freeing up track capacity by removing the need to use train paths for inspection trains.

As part of the delivery of this initiative we will continue to evolve our partnership with Network Rail, Northern and the University of Huddersfield through the development of the North of England Infrastructure and Asset Monitoring Solution business case and Innovate UK FOAK (First of a Kind) submissions.

Information technology (IT) provides a critical backbone of the organisation. It is vital that we continue to invest in and enhance this capability if we are to support the wider activities needed to re-engage with customers, colleagues and communities. There are a number of instances where application and software migration are needed to fully separate us from FirstGroup IT systems. Also, several infrastructure upgrades need to take place in order for us to maintain our current and future strategies for IT platforms, without which we risk becoming stagnated and without the capacity to adapt to new technologies.

Summary of our initiatives to address our priorities

RE-ENGAGEMENT	2023					2024										2025							
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	
DIGITAL ENABLEMENT																							
Ways of working																							
Community activity	E020																						
Service enhancement																							
Streamline and improve reporting	E017																						
Future retailing	E009																						
Stations Board	E020																						
TFGM Trailblazer Deal	E021																						
Investment																							
Connected trains	E018																						
Investment in systems / IT	E019																						

4. Transformation Phase - to 2032

4.1. Overview

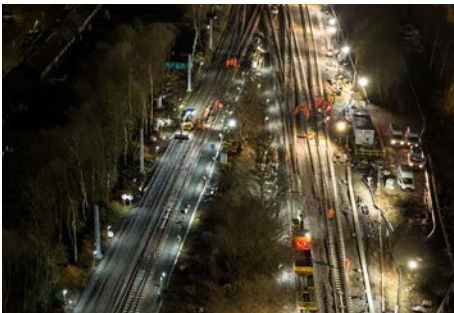
By Oct/Dec-24 operational performance will be on a trajectory towards achieving long-term targets for service delivery. This will provide us with the opportunity to plan strategically to deliver upgrades through to 2032:

- **New connectivity and service optimisation:** the realisation of the benefits of TRU and how these will flow into other upgrade initiatives including laying the foundations for NPR
- **New trains, depots and technologies:** new trains to maximise the opportunities of electrification and realising the benefits of digital signalling operation through ECTS and associated systems
- **Stations transformation in collaboration with local authorities to aid accessibility and active travel:** upgrading of our station estate, building on the governance and legacy of TRU and working with third parties

Enabled by, and underpinned by, all these initiatives will be the delivery of a more sustainable and carbon neutral railway that performs better for the customer, our colleagues and stakeholders delivering growth for the regions we serve.

4.2. New connectivity and service optimisation

The **Transpennine Route Upgrade** (TRU) between Manchester and York will allow trains to operate at up to 125mph, with investment in infrastructure upgrades and new trains. It will deliver over £4bn in social value and a further £4bn in wellbeing as well as significantly reducing carbon emissions by delivering electrification between Liverpool and York.



It is a major investment that will allow us to operate 6tph between Leeds and Manchester on our core route, which will result in improved connectivity across the North.

We are seeking to progress a TRU Track Access Option (TAO) to secure future rights to deliver the benefits of the investments being made across the North of England. This will enable the realisation of the frequency benefits from currently planned investments and provide a firm basis on which we can work with partners on their future ambitions for rail services in their geography.



We have enjoyed a unique position since 2021 as the **Delivery Partner to the TRU Programme**. This role has allowed us to contribute to the development of an integrated programme across all aspects of timetable, rolling stock and operations. Crucially this has allowed the cost of access to be reduced considerably and offered customers an improved experience with a better planned and more integrated approach. It has also pioneered a shared approach to the specification of rolling stock to ensure that this is aligned to infrastructure and wider system requirements.

The approach adopted for TRU will form the basis for the **TPE transformation** and will be expanded to cover the further programmes of investment on which service enhancements will depend. We will require funding for our engagement and support for the **Integrated Rail Plan** (IRP). This will develop the infrastructure to allow us to operate 2tph between Newcastle and York. The **Manchester & Northwest Transformation Programme** (MNTP) will build the infrastructure to allow us to operate 2tph between Leeds and Manchester Airport. These programmes can be streamlined by using the TRU approach to offer efficiency in delivery. The same approach can be adopted for the development of the **Trilink** programme (the upgrade of the WCML between Warrington and Carlisle), although given the geographic separation from TRU, IRP and MNTP, the synergies may be more limited.

These proposals are moving forward now and are gathering pace with the Northern Powerhouse Rail (NPR) business case expected to be published during 2023. This will allow the development of the scheme to move to the next level and will require an expansion of our delivery partner approach to be taken if the programme is to optimise delivery. This is an opportunity we should seek to capitalise on.

Together these projects will see TPE services particularly between Leeds and Manchester subject to regular disruption in order to complete engineering works. This will likely see TPE making amendments to the timetable, increasing journey times, reducing frequency and limiting direct links on 1 in 3 days through the remainder of the decade. As a result we will need to focus on delivering excellent customer handling plans which will require a stable timetable foundation which is able to manage such regular and significant changes.

Summary of our initiatives to address our priorities

TRANSFORMATION		2023					2024										2025								
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May		
CONNECTIVITY & SERVICE OPTIMISATION																									
Operational improvements																									
Delivering the benefits of TRU	T006																								To Dec-28>
Connectivity and service optimisation																									
Class 185 cascade	T007																								To Jan-28>
Maturing delivery partnership	T008																								

4.3. New trains, depots and technologies

TPE's New Trains programme is key to realising the benefits of the investment in TRU and also looks at a longer term plan to decarbonise our railway and standardise our fleet. New trains will use

technology to overcome the lack of progress with a strategic programme of electrification of the wider network, and power supply upgrades, over the next 10 years. This will allow us to implement a faster cascade of diesel trains and benefit from improved operating performance than if we waited for full network electrification.

We are currently defining a number of key criteria before we issue the Contract Notice to the market to start the procurement process of the new trains. One of the criteria is around traction type. For this we are currently using the Network Rail 'Hot House' process. This works with a number of industry experts to reflect upon the impact the options have on each of a number of specific areas and to create an informed decision for each one. This data is then taken to an independent panel within the industry for review. Our Hot House process is being chaired by Nick Donovan, MD Northern, and is currently underway with a conclusion expected in Oct-23. This will then go through governance before proceeding further.

Engagement is taking place across TPE and the wider market to build a robust requirements specification. Engagement within TPE is widespread and includes onboard colleagues; drivers, conductors and customer service teams; commercial and customer service; engineering; and finance and procurement. External consultees include Transport Focus, DPTAC and Active Travel representatives. The Joint Sponsorship Team comprises representatives from DfT, TRU, TfN and TPE.

The specification for the new fleet has been largely determined by existing Invitation to Negotiate (ITN) documentation that was consulted with the business and approved by DfT in 2022 and which we are refining currently. In addition to the procurement of new trains we will also enable the deployment of Automatic Power Change Over (APCO) on our existing Class 802 fleet.

The delivery of new trains as part of TRU will give us the opportunity to progressively take advantage of electrification and to redeploy or cascade **Class 185 trains**. This provides us with the prospect of delivering operational benefits by keeping the Class 185 fleet together and customer experience benefits in terms of quality and capacity improvements.



In conjunction with procurement of new trains we will also develop a **long term depot and maintenance** strategy for all our fleet. This will improve operational performance and deliver a smoother introduction of new fleets into service.

The development of the **digital railway** provides very significant long term operational and safety benefits. The introduction of the **European Train Control System** (ETCS) as part of the TRU Digital programme will enable the delivery of the planned improvements in operating performance, deliver a safer railway and reduce operating costs. Our ETCS programme will ensure that all our trains that travel over routes signalled to ETCS Level 2 will have the following:

- A driver who has been trained and is competent in ETCS level 2 operation
- Reliable ETCS systems installed on them
- Supporting staff, process and procedures that enable the safe operation of ETCS Level 2

Building on the requirements of the Network Operating Strategy and Transpennine Route Upgrade Key Outputs, we will ensure our Current Operations team are prepared and enabled to deliver High Performance for a busier railway. In parallel with the implementation of ETCS further benefits will be enabled with the introduction of **Traffic Management** (TM). TM allows train controllers to see train movements over a wide geographical area in real time, facilitating proactive interventions when potential conflicts and delays could occur, thus improving overall industry performance.

The system also simplifies processes such as special stop orders and Very Short Term Planning (VSTP) requests, reducing workload and duplication.

We will review options for future organisational structure, collaboration and incorporate learning from wider research and strategy including the Network Rail ‘Network Operating Strategy’ and input from across DOHL and GBRTT as appropriate.

Summary of our initiatives to address our priorities

TRANSFORMATION		2023					2024										2025						
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
NEW TRAINS, DEPOTS & TECHNOLOGY																							
Investment																							
	New greener, cleaner trains	T009																					
	Long term operating strategy	T010																					To Jun-31>
	ETCS performance improvement	T011																					Dec-26 to Dec-31>
Operational Improvements																							
	New trains operational capability	T012																					To Dec-29>
	Operations strategy for the future	T014																					

4.4. Stations transformation in collaboration with local authorities to aid accessibility and active travel

We identified some initial small scale station improvements as part of our re-engagement activity, but there is a much larger opportunity linked directly and indirectly with TRU and through working collaboratively with third parties. The recent agreement between Network Rail and TfGM to upgrade stations in Manchester is a good example of the approach to partnership working.

We will review the opportunity around the creation of **station masterplans** to help guide strategic long-term investment that can be initiated quickly in partnership with others as the overall objectives are part of an agreed vision. We also need to apply this approach to stations where we are not SFO because other major stations are so critical to our customers and our operations.

The **TRU Station Fund** has secured significant funding. This offers a unique opportunity to ensure that station improvements are made which facilitate the realisation of TRU benefits by enabling increased customer footfall, improved accessibility and improves the quality of the customer offer, providing greater integration with other transport modes and aligning with wider investments being made in the public realm.



We are seeking approval currently to spend some of the Station Fund on improvements to the three core stations at **Huddersfield, Dewsbury and Stalybridge** which account for 73% of the footfall on the route outside of the three main stations of Manchester, Leeds and York. In addition, we will work with Network Rail to ensure that increasing customer numbers at stations across our Network are able to manage the increased footfall TRU will deliver and avoid congestion that will erode some of the journey time reduction benefits delivered by TRU. We are working closely with the TRU

Programme Board on the development of a **TRU Station Strategy** to capture how these issues will be addressed and customers kept at the centre of our plans.

Part of our ambition is to deliver a ‘coast to coast’ railway upgrade and as part of delivering that we are proposing to work with key partners, the newly created York & North Yorkshire Combined Authority and Network Rail to **upgrade the route between York and Scarborough**. Network Rail has a specific York to Scarborough Investment Programme (YSIP). YSIP aims to deliver line speed improvements to reduce journey times and improve performance. In terms of stations there are proposals for a new station at Haxby, building improvements at Scarborough station, a second accessible platform at Malton and extended platforms, lifts and a new car park at Seamer. We wish to see this initiative linked to the concept of a more extensive vision of TRU delivery and we will develop proposals as how best to facilitate the governance of this project.

The **Selby Gateway Scheme** is part of the Transforming Cities project with a proposed new station building including retail, waiting room, toilets, changing place toilet and colleague facilities. The scheme has been removed from the Transforming Cities project due to a funding shortfall, however Selby is a key entry point, and thereby passenger growth opportunity for TRU. This removal risks loss of the benefits with the surrounding area upgraded but not the station building. We will make a special case to the TRU Executive for them to provide funding required in order that the new station building for Selby can be delivered.



As part of our wider **decarbonisation strategy** to deliver our non-traction carbon reduction targets we will deliver energy efficiency improvements and carbon reduction projects on a rolling programme across our managed stations. This will include design measures to adapt to the impacts of climate change, improving resilience of station assets, reducing energy and carbon impact, whilst assessing the feasibility for green infrastructure designs that support rainwater harvesting and biodiversity. We will deliver agreed projects that bring forward sustainability benefits aligned to our flagship goals including net zero and good for nature.

We will endeavour to secure the funding required to complete work already started, currently at GRIP4 stage, into **platform extensions at Meadowhall** to enable six carriage Class 185 trains to call without using selective door opening. This would speed up boarding and alighting improving performance and reducing dispatch risks.

Summary of our initiatives to address our priorities

TRANSFORMATION		2023					2024										2025								
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May		
SERVICE TRANSFORMATION																									
Investment																									
New station building for Selby	T004																								To Dec-25>
Sustainable station plans	T005																								
Meadowhall platform extension	T013																								To Dec-25>
Operational Improvements																									
TRU core stations	T001																								To Jan-28>
TRU enabling stations	T002																								To Jan-28>
York-Scarborough upgrade	T003																								To Jan-28>

5. Conclusion

We became part of DOHL on 28 May 2023 with a clear remit from the Secretary of State for Transport to address our failings in performance and customer service delivery.

Under our (then) interim Managing Director we took decisive and strategic action within the first 100 days of our new ownership to understand the root causes of our poor service delivery and to develop and implement a strategy to address it. We also reviewed every other part of the business within those first 100 days to ensure we can deliver for our customers, stakeholders and colleagues now and into the future.

This Prospectus documents the approach we have taken and the initiatives we have developed. Our newly appointed Managing Director, together with our new Operations Director, will lead the implementation. It will form the basis for the development of our Annual Business Plan and budget for the DfT over the next few months.

We now have a clear strategy to guide the business into the future which will allow us to overcome any short term challenges that may arise from time to time without deflecting us from delivering our core objectives. This will allow us to develop the more detailed delivery and funding plans needed to deliver the ambitions set out in this prospectus.

