



Mike Brown MVO
Commissioner of Transport

South Eastern Franchise Consultation
Zone 4/13
Department for Transport
Great Minster House
33 Horseferry Road
London
SW1P 4DR

Transport for London
Windsor House
42-50 Victoria Street
London SW1H 0TL

Phone 020 222 0000
www.tfl.gov.uk

19 May 2017

Dear Secretary of State,

2017 South Eastern Rail Franchise Consultation

You have invited comments on the future of the South Eastern Rail Franchise. This letter forms the response to the consultation from the Mayor of London and Transport for London (TfL).

The Business Case provided by TfL to the Department for Transport (DfT) in October 2016, as requested by you, sets out our aspirations for these services. That document built on the plans published jointly by the DfT and TfL in January 2016 in 'A new approach to rail passenger services in London and the South East' ('the Prospectus'), which were endorsed by your predecessor and the then Mayor of London.

Those plans included reletting the services in two parts, with a TfL concession for suburban Metro services. The more recent decision by the Government to reverse this approach is highly regrettable and represents a significant missed opportunity. We urge the Government to reconsider and make provision for the devolution of control over the Metro services under the new franchise at the earliest possible opportunity. Further detail about why we continue to believe this is the best way forward is provided in the response to Q24 below.

We consider that sticking with a 'one-size-fits-all' approach to rail franchising in the South Eastern area means that services will continue to fail to live up to their potential, and customers will continue to be short changed. In particular we are concerned that the Government's proposed approach will do little to address the most pressing issue on today's railway: reliability.

Experience shows that the model proposed is unlikely to give the franchising authority sufficient control to improve this key area (or indeed other areas) and represents the triumph of hope over experience.

At the very least the Department for Transport should guarantee that the service standards delivered by the new South Eastern franchise match those delivered by the London Overground. Investment should be made in the franchise to enable this, addressing the priorities identified by TfL in this consultation response.

Our responses to the questions posed by the consultation are set out below, following the structure laid out on page 34 of the consultation documentation. They refer to Metro services only except where specifically stated.

1. Do our priorities correctly reflect your views?

The seven areas outlined on page 17 are worthwhile aims for the new franchise. However, in a number of respects the plans for the new franchise fall short of those that were set out in the October 2016 Business Case and the prior Prospectus.

Firstly, the priorities do not facilitate proper integration with other services across London in terms of ticketing, fares, customer information, branding, service planning, investment planning, management of interchanges, accessibility standards, and the customer service proposition. Such changes would make travel easier for passengers, particularly those who are unfamiliar with the transport network or have particular needs, as well as encouraging greater use of public transport instead of more polluting modes such as the private car. The integration objective can only realistically be achieved through devolution to us.

Secondly, the priorities do not facilitate the development of the Metroisation concept in southeast London to bring rapid, metro-style services to a part of the capital that has been disadvantaged for decades by slow, infrequent and confusing rail services. The limited suggestions for new rolling stock and timetable/service pattern simplification fall short of the integrated plan we put forward and which is also included in the recent Kent Route Study by Network Rail. For example, our plan also included significant frequency improvements enabled by track and junction improvements and the removal of bottlenecks, as well as investment in interchanges. Without these, the proposed changes to service patterns risk considerable inconvenience to customers. We have demonstrated that all of these improvements can be made with no negative impact on longer distance services.

Finally, although ‘making trains run on time’ is the first point listed in paragraph 5.4, there is subsequently no systematic analysis of the reasons for the current punctuality crisis, nor coherent proposals for addressing it. Our business case for devolution set out clearly how we would improve service performance, including the estimated resulting increase in the Public Performance Measure.

All of these priorities and associated proposals were previously identified by the Government in the January 2016 Prospectus. It is very disappointing that Government appears no longer to recognise their merit. Indeed, until the fundamentals of capacity and reliability are resolved there is no prospect of delivering the economic benefits of a high quality rail service to the communities in southeast London that need it. The adverse impact of the relatively poor quality rail connections that South East London currently has can be observed across a wide range of parameters, including:

- South East London has house building rates which are less than half the London average;
- Income growth in Outer South East London (as measured by Gross Value Added per head) was 23 per cent between 2004 and 2014, compared to 43 per cent for London as a whole;
- Average house prices for the catchment areas served by the South Eastern franchise are 22% lower than the London average;
- Much of South East London has a poor accessibility to jobs within a 45 minute travelling time when comparing Major Town Centres in this sub region with those elsewhere in London that are within the same fare zone. For example there are c95k jobs within a 45 minute travelling time of Bexleyheath, which compares poorly to Edgware (c197k jobs within this travelling time) and Enfield Town (c244k jobs within this travelling time). Similarly there are c209k jobs within a 45 minute travelling time of Eltham, which again compares poorly to Wembley (c629k jobs within this travelling time) and Richmond (c990k jobs within this travelling time).

Our priorities for the new franchise are developed further in the answers that follow below.

2. Do you agree that more space is needed for passengers at the busiest times of the day?

Yes. London’s population is set to rise from 8.6 million to 10 million people by 2030, while the population in the adjacent travel to work areas of South East and Eastern England is expected to increase from 15 million to 17 million people over the same period. It is clear therefore that the South Eastern network will need the capability to carry many more passengers at peak times, whilst simultaneously delivering much better of punctuality.

This is particularly the case on routes serving areas where many new homes and jobs are planned and reflects the priorities expressed in the recent Transport Focus report on what passengers want from the South Eastern rail franchise.

The London Plan, which is currently undergoing revision, specifies a number of Opportunity and Intensification Areas where such development will be concentrated. The South Eastern franchisee will need to respond to the targets for additional homes and jobs proposed by the revised Plan when it is complete, both through the refranchising process and through full participation in Network Rail's ongoing Market and Route Study process. The following Greater London communities within the South Eastern franchise area are expected to see significant increases in population and/or employment so particular priority should be given to enhancing service provision to these areas:

- Bexley Riverside;
- Bromley;
- Charlton Riverside;
- Deptford Creek and Greenwich Riverside;
- Greenwich Peninsula;
- Kidbrooke;
- Lewisham, Catford and New Cross;
- Thamesmead and Abbey Wood;
- Woolwich.

We are very concerned that the new housing figure quoted in the consultation document for the London area (36,000) is significantly lower than what is actually planned (68,400). This raises questions around the rigour of the planning process used for the new franchise. It is essential that the correct figures are used for all planning activity by the DfT and its franchisee.

3. What comments, if any, do you have on options for providing more space through: a) Longer trains; and b) Metro-style carriages with larger entrances and more standing room and handholds?

We support extending peak-time trains to the maximum number of carriages that can be accommodated by the existing infrastructure, taking full advantage of platform extension work undertaken over the last 30 years. Broadly, this would mean twelve carriage Metro trains operating to/from Cannon Street and Charing Cross, and eight carriage Metro trains operating to/from Victoria and Blackfriars.

Where limited operational restrictions persist, such as the difficulty in extending certain platforms at Charing Cross and those at Woolwich Dockyard, modern solutions such as selective door opening, already commonplace elsewhere on the rail network, may be preferable to expensive civil engineering solutions, if practicable.

There are opportunities to increase the frequency of Metro services where track capacity already allows – for example on some routes on Sundays and in the evenings – and these should be taken. Further information is provided on this topic in the response to Q15.

The implementation of the Metroisation plans set out in the October 2016 Business Case would deliver further additional peak capacity on the Metro routes. This requires:

- New metro-style, high-performing trains with better acceleration and braking to speed up journeys. More and wider doors, plus more interior circulation space, would allow faster boarding and alighting and reduce dwell times. This approach has already been adopted on London Underground's Sub-Surface Lines and the London Overground network and is recognised by customers as a pragmatic way of providing extra capacity and making journeys more comfortable on Metro routes, according to recent research by Transport Focus on passenger priorities for the next South Eastern franchise;
- Improvements to track and signalling to allow more trains to run and at faster speeds. This would include upgrades at some long-standing bottlenecks as described in the Technical Appendix of the Kent Route Study (refer to pages 50 to 56 inclusive). Wherever possible there should be a train at least every 15 minutes, throughout the day;
- Improvements to key interchanges to make changing trains much easier, as well as new interchanges at locations such as Streatham and Brockley to link different lines and open up new journey opportunities;
- Simplification of service patterns to deliver identifiable "lines", consistent calling patterns and regular intervals between services on all Metro routes.

While new rolling stock orders for the Metro routes should be specified with the configuration set out above, we believe it would also be worthwhile to reconfigure older rolling stock, such as the Networker fleet, in a similar way. This is important to ensure that the performance of these older trains does not constrain the frequency and journey time that can be offered on the Metro network.

4. Would you support removing First Class seating on the busiest routes to provide more space?

Metro services do not normally operate with First Class seating and we do not consider that the provision of First Class seating on Metro services represents a good use of capacity. We have no comment on the provision or otherwise of first class accommodation on longer distance services.

5. What comments, if any, do you have on our plans to improve customer service and the overall passenger experience?

It is essential that customer service and the passenger experience are improved. According to the National Rail Passenger Survey, the South Eastern franchise lags behind most other operators in London and the South East, and is particularly poor when compared to London Overground and TfL Rail.

On Metro services, because the market is largely captive (particularly during peak periods) and demand is relatively inelastic in the face of variations in service quality, the risk of reduced fares revenue is not sufficient to incentivise the operator to maintain high standards of customer service. Therefore clear specification of customer service standards is required, with a strong performance regime to ensure that these are met by the franchisee. This approach has been successfully deployed on London Overground.

The enhancements that the new franchisee should implement on stations are described in more detail in the response to Q9.

The franchisee should be required to deliver better quality real time information to passengers on board trains, similar to that provided by the new Class 700 trains now entering service on the Thameslink network. This is particularly important during periods of disruption when customers are dissatisfied with the quantity and quality of information available according to the recent report by Transport Focus on what passenger want from the South Eastern rail franchise.

Improved on train ambience should be provided by the next franchise. Passengers consider this to be a priority according to recent research by Transport Focus on what they want from the South Eastern rail franchise. Existing trains should receive an initial deep clean and refurbishment backed by an enhanced cleaning and maintenance regime to ensure that the improved ambience is maintained. Air conditioning should be provided on all trains where practicable to improve the travelling environment for all customers, particularly during the summer months. On train ambience should be subject to an independent audit/incentive regime to ensure that the operator maintains the required standard.

6. Do you have any other ideas or priorities for improving customer service?

Not enough focus is placed in the consultation document on how to improve reliability. Indeed, as noted above, there is no systematic analysis of the reasons for the current punctuality crisis, nor coherent proposals for addressing it. Contrastingly, our approach to the management of rail concessions provides strong incentives for the operator to improve performance, and this has proven to be successful. The response to Q19 provides further information on how this approach works. In the longer term our proposals for Metroisation could also improve performance by simplifying the services in operation.

A strong local management focus should be encouraged across the franchise, to enable decisions to be made quickly where passengers benefit as well as to incentivise improved performance across all areas.

The new franchisee should be encouraged to work closely with organisations such as Network Rail, other Train Operating Companies and ourselves at all times through partnership working, particularly during times of disruption.

7. What changes to the fares structure would be of benefit to you?

In the Metro area we would prefer to see a more integrated Oyster/Contactless fares structure, with pay as you go fares moved to the TfL scale that has been adopted for various routes serving London Liverpool Street. Such an approach would remove fare differentials for customers whose journeys involve services operated by both TfL and National Rail franchisees, creating a consistent approach for all journeys regardless of the services they use. We recommend that the standard TfL fare concessions and the current Mayoral fares freeze (as well as future Mayoral fares policy) is applied to all Oyster/Contactless pay as you go fares that are applicable to the South Eastern franchise in the London area, in order to contain travel costs for hard pressed Londoners. The cost of fares is a key concern for most passengers using South Eastern, as demonstrated by recent Transport Focus research discussed in their report on what passengers want from the next South Eastern rail franchise.

8. What else could be done to improve the way tickets are sold and provided?

It should be easier for passengers to understand the range of fares and payment methods available to them, and then to pay for their journey. The new operator should be required to work with us to deliver a more integrated after sales / refund service.

Principle stations in the Metro area should have provisions available for Oyster/Contactless refunds and journey corrections, either via restored FasTIS ticketing issuing machines or enhanced Ticket Vending Machines (TVMs). The operator should be required to match fully our measures to resolve incomplete journeys automatically using Autofill.

Ticket office opening hours should be reviewed and tailored to meet demand at individual stations, and the franchisee should be required to provide an appropriate number of modern TVMs (with strict targets for availability) at all locations.

TVMs should be provided at each station entrance where there is more than one, for customer convenience. The new operator should be required to introduce new TVM functionality so that tickets to TfL destinations are offered in a manner that customers can understand. Customers should be able to easily select their intended destination station or Zone. Day Travelcards or other valid tickets should be dispensed automatically if they are better value than the single/return ticket selected by the customer. Ticket gates should be provided wherever they are viable, and be in operation at all times to deter fraudulent travel. The franchisee should be incentivised to ensure this using a process similar to that deployed on the London Overground network, which has achieved significant reductions in fraudulent travel.

Beyond London and the current zonal fare area, the use of modern ticketing solutions should be promoted. There is scope for Oyster and Contactless to be extended further beyond the London boundary into the franchise area. The franchisee should be required to work with TfL to deliver the much requested extension of Oyster and Contactless ticketing to Sevenoaks, including intermediate stations via Dunton Green and Bat & Ball. The new operator should be asked to participate in and fund a pilot of a wider extension of London's Contactless ticketing, possibly to the Medway towns, from 2020 utilising the software that we will be developing for the Elizabeth line service to Reading. Subject to the pilot being successful, the operator should be prepared to extend Contactless across the whole of the franchise area during the life of the franchise.

These points reflect customer priorities for the next South Eastern franchise, as reported by Transport Focus in their recent report on what customers want from this franchise, particularly the need for innovation to make the process of buying tickets simpler and the desire to expand the geographic scope of Oyster/Smartcard ticketing.

9. What further comments, if any, do you have on our plans to improve access and facilities at stations?

Stations are the gateway to the railway, and therefore should offer passengers a welcoming and secure environment regardless of where they are located or what time it is. We fully support proposals to improve access and facilities at stations. The first priority upon franchise award should be to undertake a deep cleaning programme across the Metro area, including graffiti removal and repair of any broken fixtures. An improved ongoing cleaning and maintenance regime should then be implemented to maintain the enhanced ambience, backed by a performance/incentive regime that provides an independent audit of the standards achieved, and which specifies a minimum standard at each station, rather than network-wide averages to ensure that standards are applied on a consistent basis.

We agree that it is important for station facilities to be upgraded, and would urge the next franchisee to consider the transformation of stations across the London Overground network as a good example of what can be achieved to deliver an improved passenger experience. Similar standards should be applied to stations in southeast London including, but not limited to, the following:

- Station staffing throughout the day at all stations on the network to improve customer perceptions of security and the delivery of information. Staff should be selected and trained in a manner that ensures they can provide a high quality of customer service, with their presence and performance being subject to regular independent audit and management to ensure that it attains a good standard. They should also have access to the equipment and systems they need to provide high quality information during periods of disruption, as recommended by Transport Focus in their recent report on what passengers want from the South Eastern franchise. The franchisee should be required to provide turn-up-and-go assistance for those with disabilities or additional needs, removing the need to book ahead. Refer also to the response to Q10 which provides further detail on this important matter;
- Provision of modern, high quality and consistent customer information screens providing real time information on the service provided at each station, as well as multi modal travel information. These should be located at each station entrance as well as within interchange passageways at stations with large interchange flows;
- Reliable and modern PA systems, CCTV and help points. Existing equipment should be upgrade or replaced where required to achieve this;
- High quality and well signposted bus and taxi interchanges;

- Provision of WiFi at stations, which could also support the remote monitoring of the performance of facilities at stations, enabling faults to be identified and rectified at a faster rate, and the delivery of real time data/information to staff. Consideration should also be given to how the provision of WiFi services could be integrated across the public transport network to provide a seamless experience for the customer;
- Additional shelters and seats where current facilities are poor or inadequate;
- More step free access, between street and platform and train and platform where practicable – see also the response to Q10;
- Provision of secure cycle parking facilities and, where appropriate, adequate car parking, including space for those being dropped off or picked up.

The points made above reflect passenger priorities for the next South Eastern franchise, as reported in the recent Transport Focus report on what passengers want from the next South Eastern franchise, particularly the requirement for additional and better shelters and additional staff providing a higher level of customer service.

10. What more could be done to improve access and provide facilities for those with disabilities or additional needs?

It is still too difficult for people with disabilities or additional needs to travel on the rail network.

Many of the measures discussed in the responses to the consultation questions will have a particular benefit for those with disabilities or additional needs, for example by reducing the fear of crime and giving confidence that help will be available when needed.

Other, specific measures that should be implemented include:

- All-day station staffing to eliminate the need to pre-book assistance, enabling spontaneous journeys and increasing the confidence of customers with mobility impairments when they consider using the rail network;
- Staff training to recognise and meet the requirements of passengers with disabilities or additional needs, to ensure they receive the level of customer service that they deserve. This should be backed by processes to audit and manage staff performance in this key area;

- Adapting stations and trains to fully meet the requirements of customers with disabilities or additional needs, such as through the use of tactile flooring and colour contrasting doors, steps and handrails;
- Providing step-free access between the street and the platform at more stations, prioritising those locations where this offers the greatest benefit as assessed against criteria including: the level of passenger demand; the presence of nearby facilities such as hospitals; targeting areas that have no step-free stations already; and the number of people living locally with life-limiting illness or who are over 65 or under four. Our analysis indicates that the following stations perform well under these criteria and should be prioritised for step-free access: Barnehurst, Bickley, Chislehurst, Hither Green, Petts Wood, Plumstead and St Mary Cray;
- Reducing or removing gaps between the platform and the train wherever possible, through the use of Harrington Humps or similar devices.

11. How far do you support, or oppose, the extension of High Speed services from London St. Pancras to Hastings, Bexhill, and Rye, where this would represent value for money to the taxpayer?

We support reductions in journey times between London and Hastings, Bexhill and Rye, subject to an acceptable business case, but have no comment on the means by which these improvements should be achieved, provided they do not impact on Metro services or on the number of stops in London by longer distance services.

12. How far do you support, or oppose, reducing journey times to key destinations in Kent and East Sussex, by reducing stops at less well used intermediate stations to create hourly fast services?

We oppose any reduction to service frequency at stations in the London area. Longer distance services already stop at relatively few stations in London, generally at large outer-London centres and/or important interchanges including Bromley South and Orpington. These stations have high passenger demand which justifies these calls; three of the top ten stations in terms of entry and exit volumes that are managed by the South Eastern franchise are within London and receive calls from longer distance services. Having London stops on these services provides fast and frequent access to central London for large numbers of outer-London passengers, while also enabling passengers from outside London to interchange onto other routes or modes and avoid the busy zone one termini, minimising their overall journey time.

13. If you support this proposal, which services do you think would most benefit from this approach?

Please refer to the response provided to Q12 above.

14. Which journeys do you make today which are difficult? a) By rail? b) By road, which would be easier by rail?

There are a number of journeys that are currently difficult to make by rail. These are described further below.

Journeys from the Bromley area to Canary Wharf are difficult because of the lack of trains calling at Lewisham which offers interchange to the Docklands Light Railway.

There are a number of rail journeys in the evenings and on Sundays that are currently more difficult than they need to be, because of low train frequencies. Our proposals for addressing these deficiencies are set out in the response to Q15.

Spontaneous or short notice journeys by disabled people and those with limited mobility are either impossible or much more difficult than they need to be because of the requirement to book ahead. Refer to the response to Q10 for further commentary on this.

Many rail journeys across the network are currently affected by very poor reliability and low or inconsistent standards of customer service as well as overcrowding. The ongoing growth of London will continue to increase the pressure on the South Eastern network, increasing crowding and making journeys more unpleasant and less reliable over time unless enhancements are implemented. The next franchisee should therefore be required to work with us to develop projects to enhance the transport network which have interfaces with the South Eastern network, including the Bakerloo line Extension and proposals for the Metroisation of the South Eastern area's Metro services, as discussed in the October 2016 Business Case and the Draft Kent Route Study (refer to page 49 of the technical appendix).

The development of interchanges is another area where close cooperation is required to ensure that these are upgraded to meet the challenge of growing customer demand and expectations. One location where this is particularly pertinent is Lewisham, where the existing station is already congested and faces challenges posed by intensive local development, growing levels of interchange with the DLR and the need accommodate future enhancements to the transport network including the Bakerloo line Extension and Metroisation. To meet these challenges Lewisham station is likely to require a number of enhancements including wider platforms, broader staircases, escalators and a large interchange concourse either above or below the platforms. Further details relating to the proposal can be found in the Draft Kent Route Study (refer to page 56 of the Technical Appendix).

15. Which additional services would you wish to see provided in the next franchise?

In our Business Case for devolution we set out details of our preferred future service patterns and frequencies in South East London. These are shown in figure 1 below and would need to be implemented as part of an integrated Metroisation plan, including upgrades to track and rolling stock. More detail is also set out in the Technical Appendix to Network Rail's Kent Area Route Study (page 50).

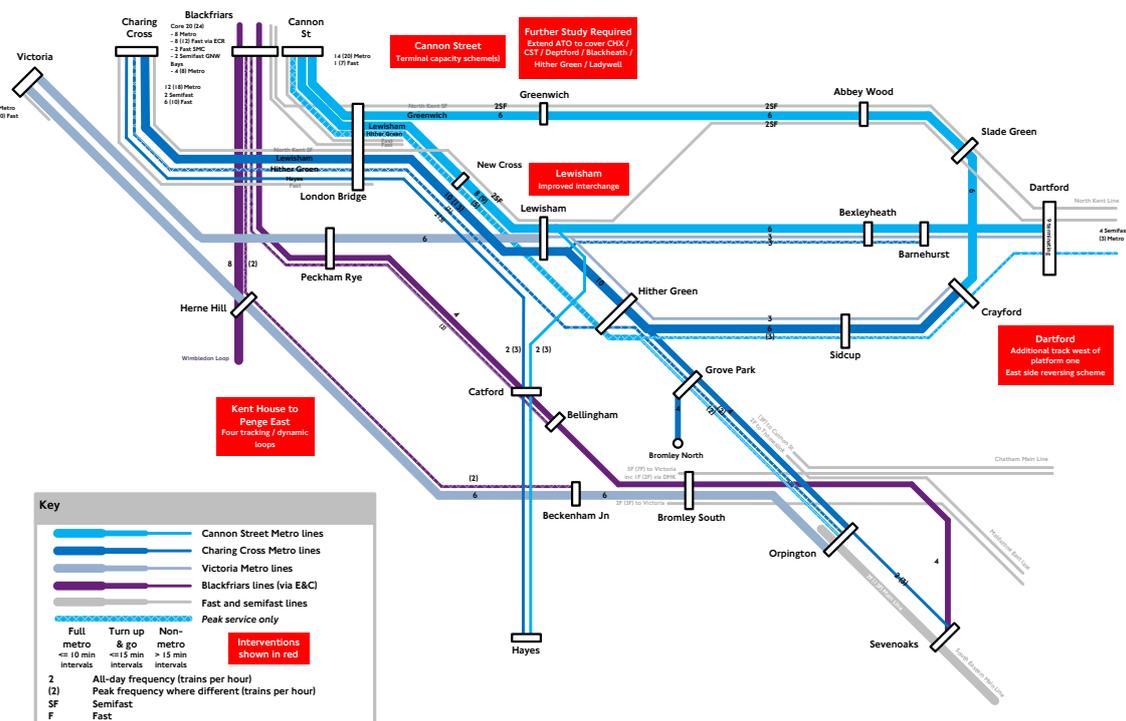


Figure 1: TfL's proposal for a revised service pattern on the South Eastern network

In the meantime there are existing opportunities to boost frequencies on many Metro routes to four trains per hour at all times, including late in the evening and on Sundays. These include:

- Metro services via Greenwich should be increased from two to four trains per hour during late evenings on weekdays and Saturdays and after 20:00 on Sunday;
- Services via Bexleyheath should be increased from two to four trains per hour all day on Sunday;
- Services via Sidcup should be increased from two to four trains per hour all day on Sunday;

- Services on the Hayes route should be increased from two to four trains per hour all day on Sunday;
- Metro services on the route between Charing Cross and Orpington should be increased from two to four trains per hour all day on Sunday;
- Metro services on the route between Victoria and Orpington via Beckenham Junction should be increased from two to four trains per hour all day on Sunday.

TfL has previously analysed the business case for the service changes on Sundays referred to above using the Moira model (with the exception of the Charing Cross – Orpington enhancement). The analysis demonstrated that they represented excellent value for money, with a benefit cost ratio of 7.46 to 1. This result shows that where current off peak frequencies are low there is scope for the travel market to respond to enhancements.

First and last trains should also, where possible, be timed to match the standard used by London Underground. This would require first trains to arrive at their London terminus by 06:00 on weekdays and Saturdays and by 07:30 on Sundays. It would require last trains to depart their London terminus no earlier than 00:30 on weekdays and Saturdays and no earlier than 23:30 on Sundays. The current service offered is not compliant with this standard with (for example) last trains on weekdays departing from central London to Hayes at 00:10, to Dartford (from Victoria) at 00:09 and to Orpington (via Herne Hill from Victoria) at 00:25.

Consideration should also be given to the operation of services throughout the night on Friday and Saturday nights to key locations in South East London, including Lewisham, Greenwich, Woolwich and Bromley to complement the geographic coverage provided by the Night Tube network. Additionally, a service should be provided throughout the night following New Year's Eve to support the celebrations in central London, including the fireworks display on the Thames. The stations served by South Eastern that are adjacent to the Thames are well located to serve this particular event.

Services should be provided on Boxing Day to meet the significant demand for travel that has developed on that day. London Underground has provided a comprehensive network of services on Boxing Day for many years and these have proved to be very successful, with demand for these services rising by 300% since 2002. This represents the fastest level of growth of any traffic day over this period on the Underground network. The demand using Underground services on Boxing Day is now comparable to that experienced on New Year's Day and Easter Monday, necessitating the operation of a full Sunday service timetable. Providing a comprehensive network of services on Boxing Day on the South Eastern network would complement the provision already made by the Underground network, to the benefit of both parties.

16. How far do you support, or oppose, options to simplify the timetable?

Experience with London Underground and London Overground has shown that a simple and consistent service pattern encourages passengers to travel with confidence and grows patronage.

We therefore support the principle of timetable simplification to deliver consistent calling patterns, regular intervals between services and a minimum four trains per hour on all Metro routes. This is one element of our Metroisation service proposition.

It provides the opportunity to create identifiable 'lines' and bring the simplicity and dependability of the Underground and London Overground to the Metro network in southeast London. This approach takes advantage of common rolling stock performance characteristics and reduces conflicts at junctions. Metroisation would unlock additional capacity, improve performance and increase passenger confidence in the South Eastern Metro network.

Turn-up-and-go frequencies of at least four trains per hour are needed not only Monday to Friday, as proposed, but seven days a week including early mornings and late evenings. Additional peak services should be provided where appropriate and practicable.

17. How far do you support, or oppose, options to reduce the choice of central London destinations served from individual stations with the aim of providing a more regular, evenly spaced timetable, and a more reliable service?

As part of timetable simplification, reducing the number of central London destinations directly served from individual stations would only be appropriate if it were coupled with substantial further improvements to the frequency, punctuality and reliability of the remaining core routes, and ease of interchange between them, as proposed by our Metroisation concept. Indeed, in many cases simplifying service patterns will provide the opportunity to increase overall train frequency, which will go some way towards offsetting the loss of some direct services. In any case it is vital that no individual station should have fewer trains in any hour than at present.

We recognise that the removal of some low frequency direct links would be unpopular with certain passengers and stakeholders, which is why interchange between each high frequency corridors needs to be made as seamless as possible so as to minimise the impact on journey times. It would therefore be necessary to invest in substantial improvements at interchanges such as Lewisham. It is also important that the Government and the train operator communicate honestly and openly with customers and stakeholders to properly explain these plans and address people's concerns.

18. How far do you support, or oppose, plans for the train operator and Network Rail to form a close alliance with the aim of reducing delays and improving performance?

We naturally support close working between the franchisee and Network Rail – this is essential to delivering the reliable service that passengers expect.

There is no information in the consultation document about the structure, governance or incentivisation of a train operator-Network Rail alliance, and therefore it is difficult to comment on this proposal.

Where formation of an alliance can be demonstrated to deliver measurable customer benefits, such as a reduction in delays, improved information provision or quicker recovery from incidents, then we would support such a proposal.

However, we note that the alliance model was previously tried on the South Western franchise with apparently unexceptional results, and that that alliance has now been dissolved.

It is important that any alliance or other new way of working does not disadvantage other operators sharing the same infrastructure.

On London Overground and TfL Rail, we have successfully established an alternative approach to ensuring close working between our operators and Network Rail without a formal alliance – further information on this is provided in response to Q19.

19. What are your views on how this alliance should be incentivised and held to account for its performance?

Any alliance should be incentivised so it is collectively responsible for all sources of delay. This will ensure that it focuses on reducing delays regardless of cause to maximise the performance benefits experienced by the customer, rather than on the attribution of delays between operators and Network Rail. The value placed on delay minutes must be sufficient to ensure that there is a strong incentive on the alliance to reduce them.

We have achieved performance improvements on the London Overground network by adopting the approach described above without entering a formal alliance with Network Rail. This was accomplished by applying a penalty of sufficient magnitude to the Overground concessionaire for all delay minutes experienced by Overground services, regardless of the responsible party. This incentivised the concessionaire to take a close interest in Network Rail's performance and to investigate ways in which this could be improved.

Given that customers consider that the franchise does not currently take adequate steps to minimise the likelihood of unplanned disruption (according to recent research by Transport Focus on passenger priorities for the next South Eastern franchise) it is imperative that the new operator is properly incentivised to make significant improvements in this key area.

As noted in the response to Q5 with regard to customer service standards, the largely captive market for Metro services means demand is relatively inelastic in the face of variations in service quality, at least during peak periods. The risk of reduced fares revenue alone is not sufficient to incentivise the operator to focus the attention on reliability that is required. Therefore a separate incentive regime is needed.

We have previously discussed our approach to incentivisation with the DfT in detail, and would be happy to provide further information if this would be helpful.

20. How would you prefer the next South Eastern operator to engage with you: a) As an individual? b) As an organisation (if appropriate)?

In the absence of full devolution of control over South Eastern Metro services, it is important that the next franchisee is required to cooperate with us over matters of joint interest. These include, but are not limited to, the following:

- Planning and integration of South Eastern services with the Elizabeth line;
- Planning and delivery of the Bakerloo line Extension;
- Planning on major closures and projects, including proposals to enhance the major public transport hub at Lewisham and Metroisation;
- Exchanging information on costs and revenue accruing to Metro services to aid planning for the devolution of responsibility for these services to us in future.

21. What approaches to customer service in other companies could be adopted by the next South Eastern train operator?

Our rail concession model provides an excellent example to follow for Metro services. This uses a variety of independent surveys including customer satisfaction, mystery shopping and key performance indicator audits to monitor performance. The surveys are structured to review the quality of performance and presentation rather than just the presence or absence of staff or facilities. This is particularly important in the case of staff where their knowledge and attitude needs to be tested alongside their presence to ensure that they deliver the quality of customer service that is expected.

The operator is required to achieve targets in relation to these surveys that are focused on the areas of greatest significance to the customer as well as those areas requiring improvement.

This approach gives the operator a strong incentive to improve customer service where this is not provided by revenue, as is often the case with Metro services. The success of this approach is demonstrated by the improved levels of customer satisfaction delivered by London Overground since it commenced operation in 2007.

22. Where do you think private sector investment would be of most benefit to the railway?

Private sector investment is likely to be most useful for expanding the capacity of existing stations and building new infrastructure to serve developments such as London Paramount. Private sector funds are generally easiest to leverage where a specific impact from a development can be identified.

23. Should we consider using the more lightly used sections of the railway in a different way? If so, how should this be done?

We would oppose any attempt to withdraw rail services in the London area, where they form a critical part of the transport infrastructure.

24. Looking to future, beyond this franchise, what, if any, benefits do you consider there would be for passengers from a franchise with a different geographical boundary?

We have previously advocated the establishment of a separate concession covering the Metro services provided by the South Eastern franchise, which operate mostly within Greater London. This has the potential to offer significant benefits to customers using these services, particularly if responsibility for appointing and managing the train operator was devolved to the Mayor of London.

The current franchise structure relies on the incentive provided by revenue to improve customer service. While this may be appropriate for longer distance journeys where there is more scope for discretionary travel, the incentive is often inadequate for Metro services because demand is relatively inelastic during peak periods and revenue per journey is relatively low. This encourages franchisees that operate both Metro and longer distance services, such as Southeastern, to focus on longer distance services because they are more remunerative.

We have demonstrated that a smaller and more market-focused operator for Metro services will improve services even where they interface on shared tracks with a longer distance operator. In 2015 the Metro services operating to/from Liverpool Street transferred to our management. Performance improved in the subsequent year with a 15% reduction in the number of delayed trains being achieved.

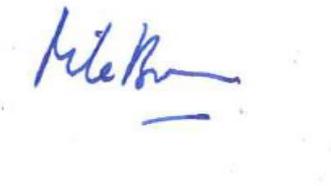
Our approach has been proven to deliver a greatly improved quality of service where the model has been applied, with good results being apparent prior to major investment in infrastructure to improve service levels on the original London Overground network. Indeed, the previous operator of the London Overground concession (LOROL) won the Passenger Operator of the Year award at the 2016 National Rail awards, which demonstrates the success of this operation and our approach.

As set out in response to Q1 a further benefit of a dedicated Metro franchise, (devolved to the Mayor and TfL) would be the opportunity for proper integration with other services across London in terms of ticketing, fares, customer information, branding, service planning, investment planning, management of interchanges, accessibility standards, and the customer service proposition.

A further benefit of smaller franchises focused on specific markets is that they encourage new market entrants, as acknowledged by the consultation document (paragraph 6.22), improving the level of competition in the franchising market which has recently been declining. TfL's concessioning process has already introduced new operators into the UK rail market, including MTR and Serco, who have gone on to achieve considerable success.

I trust you find the information provided here useful. My colleagues would be happy to meet with your officials to discuss any of the issues raised in more detail.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Mike Brown", with a horizontal line underneath it.

Mike Brown MVO