



# Proposals for the Southeastern Direct Award

## 1. Introduction

The existing Southeastern franchise has run for a considerable time, during which there have been some highs, and a number of lows, from a passenger and stakeholder perspective. The Direct Award itself will run for a period of nearly four years, making this amongst the longest franchise contracts to be negotiated through a single tender arrangement.

It is imperative that the Direct Award builds customer trust and confidence. It can only do this if it includes mechanisms to deliver real passenger benefits, unlock investment and provide firm foundations on which the next franchise can build.

Passenger Focus has already published a detailed submission in response to the 2012 consultation on the previously scheduled franchise renewal<sup>1</sup>. This drew on bespoke research with 2420 passengers using Southeastern services, analysis of National Passenger Survey results and other studies into issues important to users of rail services.

Many of the recommendations we made for the new franchise are equally valid for the period of the Direct Award. The key points from our submission are summarised in Appendix One and we urge that these are fully considered in development of the specification for the franchise operation between 2014 and 2018.

An important hallmark of the Direct Award will be to make demonstrable progress on key issues during the four years preceding the new franchise, whilst also undertaking the relevant planning and preparatory work to optimise the opportunities to deliver significant early benefits in the new contract.

## 2. Priorities for the Direct Award

Our specific proposals for the Direct Award are for initiatives that we believe can be readily and effectively implemented, with a particular emphasis on those actions that can build passenger confidence and trust.

### 2.1 Transparency

We wish to see far greater transparency of information that is relevant to passenger experience.

Punctuality (PPM) figures which are only produced for the train company as a whole can mean that performance on a problematic route may be masked by better performance elsewhere. A move to reporting on a more granular basis should be instigated promptly. We'd suggest, at minimum, this should be disaggregated by line of route, with information reflecting the performance during the morning and evening peaks and the remainder of the

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<sup>1</sup> <http://www.passengerfocus.org.uk/research/publications/the-south-eastern-franchise-a-consultation-response-from-passenger-focus>

day. However, we believe that there is a case to make this information available for individual trains.

Giving rail passengers access to performance figures relevant to their services will help them to hold the train company to account and to ask what is being done to improve services in return for the fares they pay. Good management should not feel threatened by this. Indeed the availability of accurate data may actually help – a particularly bad journey can linger in the memory and distort passengers' perceptions. Accurate, relevant data can help challenge these negative perceptions and focus management attention on areas that need improving.

There is also scope for greater transparency surrounding capacity/crowding. ORR has conducted research looking at the impact of publishing more information on train seat availability which found that passengers not only wanted more information but also acted upon it when planning their journeys<sup>2</sup>.

We advocate increasing the availability of information about the relative capacity of peak and shoulder-peak trains to enable those passengers who can adapt their travel patterns to be able to make informed choices. Ticketing initiatives outlined below may also play a positive role in assisting the management of capacity demands.

More generally, we recommend adoption of an increasingly open approach to making data and information about all aspects of the franchise available in the public domain.

### **2.1.1 Performance monitoring**

In keeping with a move to increase transparency, we think it important that train companies/ the industry publishes right-time performance data (i.e. actual number of trains arriving at the scheduled time alongside the current measure with its five or 10 minute allowances).

Our research shows that punctuality is the main driver of overall passenger satisfaction. In order to better understand the relationship we took a more in depth look at the correlation between satisfaction with punctuality and actual performance. The detailed results can be found in the individual reports<sup>3</sup> but we found a clear picture of:

- Average lateness experienced by passengers being worse than that recorded for train services. This is because of the effect of cancellations and because many trains that are on time at their destination are late at intermediate stations. As PPM measures performance at the final station it is possible for passengers en-route to be late arriving at their station only for the 'empty' train to arrive on time – in other words the train is on time despite most of the passengers being late.
- Passenger satisfaction with punctuality reduces by between two and three percentage points with every minute of delay.

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<sup>2</sup> <http://www.rail-reg.gov.uk/upload/pdf/swt-crowding-data-research.pdf>

<sup>3</sup> E.g. <http://www.passengerfocus.org.uk/research/publications/examining-the-links-between-train-performance-measures-and-customer-satisfaction>

- Passengers' notice delay well before the technical threshold of delay. Commuters notice lateness after one minute rather than the five minutes allowed; while business and leisure users tend to change their level of satisfaction with punctuality after a delay of four to six minutes.

This shows that passengers do not view a train arriving up to 5 or 10 minutes after its scheduled time as being on-time. As punctuality is the main driver of overall passenger satisfaction it follows that greater adherence to a 'right-time' railway could help drive up overall satisfaction.

As a result we would like to see within the Direct Award agreement:

- A commitment to report the percentage of trains arriving punctually at key intermediate stations.
- A commitment to move towards a 'right-time' railway - possibly involving the reduction of the current 5 minutes allowance and/or publication of right-time performance.

### **2.1.2 Engagement**

Passenger Focus has recently published the findings of research into passenger understanding of the franchise process and their appetite for engagement with it.

It is clear from this work that passengers have unanswered desires to contribute their thoughts, both about priorities for franchise specifications and the performance of incumbents. There is also a desire for greater two-way communication about what each franchise promises – and what is actually delivered.

We applaud Southeastern for proactively seeking out the views of stakeholders to inform the Direct Award discussions and we would like to see a meaningful development of this approach in any extension. This should include clearly publishing what will be delivered during the Direct Award term and setting up enhanced feedback mechanisms to elicit passenger views during the period, and respond and report on progress in meeting them.

We are working on ideas for the way passenger engagement can be effectively enhanced in the future and one element will include ensuring passengers will be aware that a new franchise is to be let. We recommend, therefore, that the Direct Award requires Southeastern to comply with the proposals that emerge in this area and work with relevant parties to provide appropriate public information about the formal competition for the franchise in 2018.

### **3. Reflecting the passenger voice and enhancing the passenger experience**

The Direct Award should include mechanisms that encourage Southeastern to strive to improve all aspects of the passenger experience, and respond to passenger feedback on the services they receive. The National Passenger Survey (NPS) provides an effective means to achieve this. With nearly four years in prospect, we recommend that targets are set to

incentivise progress in delivering improved passenger satisfaction with stations, trains and customer service on each of the High Speed, Mainline and Metro service groups.

We recommend that the NPS regime focuses particularly on the aspects of service that drive passenger satisfaction and on factors where Southeastern scores fall below comparator services within the London and South East sector and/or service typologies. As the single biggest driver of passenger dissatisfaction, there should also be an emphasis on how Southeastern deals with delays.

Passenger Focus can make available a range of data to inform the development of a suitable regime for the Direct Award period.

#### **4. Improvements to train services**

Frequency of service and speed of journey were high priorities for improvement when we conducted research with Southeastern passengers in 2010. Feedback indicates that these remain of importance. Whilst we recognise that some of the works associated with the Thameslink programme, particularly the remodelling of London Bridge, may present challenges, we encourage consideration of any potential opportunities to make the timetable more responsive to passenger needs, especially on parts of the network unaffected by the major project.

Specifically in relation to journey time, we recommend that the Direct Award includes provision for resources to be allocated to a project to work with Network Rail on a programme of modest improvements to line speed, as well as a separate exercise seeing what could be eked out from a review of point-to-point timings and station dwell time. The objective should be to get the line speed as close as possible to the maximum speed of the trains running on it.

#### **5. Making buying a ticket easier**

Passenger Focus's research has identified a number of issues with both ticket vending machines (TVMs) and websites – much of which was reflected in Government's own Fares and Ticketing Review consultation, which is expected to report imminently. While the Direct Award period may not provide the scope to fix all the identified problems it is important that momentum is not lost on such issues as:

- Printing any restrictions on passengers' tickets to remove confusion over validity
- Displaying outward and return ticket restrictions on TVMs prior to a passenger committing to purchase
- Making it impossible to buy an Advance ticket on the internet at a higher price than the 'walk up' fare available on the same train

##### **5.1 Smart ticketing and extending the range of products**

Progressing the roll out of smart ticketing products cannot wait for the Direct Award term to end. The provisions of the Direct Award should incorporate expediting ITSO and SEFT developments, as well as other smart ticketing initiatives. Technological evolution moves

apace and Southeastern passengers should be provided with the opportunity to benefit from these advances now, not years down the line.

The increased knowledge and information about passengers and their journeys will also provide advantages to Southeastern, including but not confined to, the ability to improve demand management through incentivising moves away from peak services on five days per week, and an enhanced ability to market additional travel opportunities on less well used services.

Fares and cost of living pressures are a major concern for many passengers and Southeastern consistently scores poorly on passenger perceptions of value for money. A range of initiatives to improve this should be fostered, including schemes that bring season tickets within reach of a wider range of people. In addition to mechanisms that facilitate purchase (such as low, or no-cost, arrangements to spread the cost of an annual season ticket over the course of a year), these should reflect the increasing trend for work-related travel outside of the traditional full-time Monday –Friday patterns<sup>4</sup>.

We should like to see a range of flexible products introduced that could include, for example:

- Carnet style arrangements, providing discount on a number of tickets for the same journey purchased together
- Cash-back/early-bird/part - time season tickets that 'reward' passengers when they travel less frequently or outside the peak.

We also recommend introduction of a 'rainy-day' guarantee to enable passengers who have purchased tickets in advance to obtain a refund should they decide not to travel for any reason.

## **6. Ticketless travel**

Passenger Focus believes ticketless travel is an important issue and one that needs addressing. Passengers who avoid paying for their ticket are in effect being subsidised by the vast majority of fare-paying passengers. However, the revenue protection strategy must provide safeguards for those who make an innocent mistake and whose intention was never to defraud the system. We believe this requires:

- Clear consistent guidelines explaining when staff should show discretion in the enforcement of penalties. For example when passengers do not have their railcard with them
- Commitment not to go straight to any form of criminal prosecution unless they suspect (or have proof) that there was intent to defraud.
- Penalties that are proportionate to the actual loss suffered by the operator.

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<sup>4</sup> See: <http://www.passengerfocus.org.uk/research/publications/understanding-rail-passengers-the-average-commuter>

The industry is currently developing a code of practice for passengers who board without a valid ticket; we should like the Direct Award to require Southeastern to make a commitment to the early adoption of this.

## **7. Charter**

The Direct Award should require a renewed emphasis on strategies to raise passenger awareness of their rights to claim under the delay-repay scheme and to make the claims process swift and simple.

We should also like to increased clarity around the definition of 'sustained poor performance' that would trigger additional compensation to season ticket holders who experience frequent delays under the 30 minute threshold.

## **8. Conclusion**

There are many areas where the passenger experience on Southeastern can be enhanced. Some of these can be delivered swiftly and at relatively little, or no, cost. Other elements may require more substantial resourcing but this does not mean they can, or should, be shelved until a new franchise.

It is imperative that that the Direct Award includes mechanisms to unlock much-needed investment, deliver real passenger benefits and provide firm foundations on which the next franchise can build. Passengers must not be left to pay the price for delays in the franchising process.

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## **Appendix One**

### **Summary of key points and recommendations for the South Eastern franchise – extract from the Passenger Focus response to the 2012 consultation**

Please see the complete document for the detailed analysis, rationale and full suite of recommendations<sup>5</sup>.

#### **Evidence base and passenger priorities for the franchise**

The Passenger Focus response to the South Eastern franchise consultation draws on bespoke research with 2420 passengers, National Passenger Survey (NPS) findings and other themed research. It builds on ongoing discussions with the DfT regarding the new franchise and an initial submission made in April 2012.

The top passenger priorities for improvement in the franchise are:

- value for money for price of ticket
- punctuality/reliability of the train
- frequency of trains on the route
- being able to get a seat on the train
- length of time the journey was scheduled to take.

These top priorities are followed by improvements to provision of information during disruption and upkeep/repair and cleanliness of the train.

#### **The franchise specification**

Passenger Focus considers the South Eastern franchise should have a strong and sufficiently detailed specification to protect both Government and passenger interests.

Passenger Focus strongly recommends that a detailed specification should be set out for the London Bridge construction works to maximise available capacity to enable people to travel to and from central London.

Passenger Focus believes that the train services to operate should be structured around the journeys that passengers wish to make. Specification should therefore focus on journey opportunities rather than defining train services. The key issue is whether passengers at each station have the required level of service to and from the places they want or need to travel at the times they wish to do so.

There will undoubtedly be changes to train service provision during the franchise and there must be a requirement for a timely, transparent, meaningful and robust consultation process that allows all stakeholders views to be listened to and responded to, prior to changes being finalised or implemented.

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<sup>5</sup> <http://www.passengerfocus.org.uk/research/publications/the-south-eastern-franchise-a-consultation-response-from-passenger-focus>

## **Capacity and crowding and train service proposals for South Eastern**

Passenger Focus believes that it is only through an integrated approach to train service planning and delivery across the entire network that maximum efficiency and passenger benefit will be achieved.

Passengers regard provision of capacity as a fundamental requirement of the rail service. It is influenced by frequency of trains (thus increasing the overall total of seats available by running more services) and the ability to get a seat on the train used. Both these factors rank highly in passenger priorities for improvement, generally below only punctuality and reliability and value for money in significance. Importantly, capacity also has a strong influence on passenger perceptions of value for money so has a further role in passenger satisfaction. It is imperative that provision of an effective response to capacity needs throughout the term of the contract is made a core requirement of the new franchise.

The prevailing standard that no passengers should have to stand, other than by choice, for over 20 minutes on a journey, should remain the benchmark.

Passenger Focus is strongly opposed to any move towards pricing passengers off peak services.

## **Changes and improvements to services**

We recommend the following factors should govern the final decisions about the destinations on the current South Eastern network to be served by Thameslink core services and should also underpin other service changes on the franchise:

- The key principle should be to provide services that go where the majority of passengers want them to. This may not always be operationally possible but it should be the starting point for service planning.
- Consideration should be given to passenger preferences for specific London terminals, implications for connectivity at the local level, as well as further afield, and whether stations will also retain other services, particularly to alternative destinations.
- There must be clear evidence of passenger benefit to justify the proposals brought forward and it is imperative that there is wide and meaningful consultation on the eventual timetable proposition. The implications of any proposed service changes on the core passenger priorities of punctuality/reliability, value for money, frequency of trains and getting a seat should also be assessed. Journey length and comfort will also be material considerations for passengers.
- The most appropriate distribution of the combined franchise's services across the overall network should also be considered.
- Should services to any destinations transfer, in whole or in part, there must be a requirement for effective liaison between operators, particularly in relation to information, service disruption, connections and the management of station facilities.

Passenger Focus firmly believes that changes and improvements to services should prioritise the factors that are most important to passengers. In this response we focus

primarily on high-level issues but there is substantial additional detail available about passenger views and aspirations at a far more granular level from both the route-research and NPS, and bidders should demonstrate how they have used this evidence in developing their proposals for the franchise. Consultation with passengers and stakeholders at the local level should also inform service plans.

The route based research highlighted identifies passengers' top priorities for improvement as:

- value for money
- punctuality and reliability
- frequency of service
- being able to get a seat
- length of time of journey.

## **Performance**

The overwhelming driver of passenger satisfaction on Southeastern, as it is nationally, is the punctuality and reliability of trains.

We recommend that operational focus on 'right-time' arrival at all stops is made a core requirement of the new franchise, together with a requirement for publication of detailed performance information which will inevitably act as a catalyst to improvement.

Passenger Focus reiterates the previous recommendations<sup>6</sup> to drive improved performance in the franchise:

- Challenging but achievable PPM targets for the franchise as a whole and key service groups.
- Punctuality should be disaggregated to the maximum extent possible to be meaningful to passengers. This should include (as a minimum) reporting on all identifiable routes and service groups; ultimately we see no reason why passengers ought not to be able to identify performance of individual trains.
- Challenging but achievable targets for reductions in the number of trains reaching their destination more than 20 minutes late, but without resorting to extended journey times.
- Moves towards a 'right-time' railway possibly involving the reduction of the current five minutes allowance and/or publication of right-time performance.
- A requirement to report performance of trains arriving at key intermediate stations which for simplicity could also function as stations against which 'right-time' performance is published.

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<sup>6</sup> *Thameslink franchise 2013 onwards: an initial submission from Passenger Focus*, May 2012  
<http://www.passengerfocus.org.uk/research/publications/thameslink-franchise-2013-onwards-an-initial-submission-from-passenger-focus-may-2012>

### **Implications of changes to the combined franchise**

The process to let the combined Thameslink, Southern and Great Northern franchise is also underway and changes to the service provision on this network, or the transfer of services from Southeastern, will potentially impact on the overall availability of journey opportunities on the new franchise. It is important that the specifications require liaison between bidders for the combined franchise and South Eastern.

### **Dealing with disruption and provision of information**

Beyond the management of everyday performance requirements, bidders need to demonstrate how they will effectively manage disruption and ensure provision of information to passengers. This will be particularly important in the new franchise as the Thameslink programme moves into the key phase at London Bridge with the ramifications expected to extend across many services.

'How the train company deals with delays' is, by far and away, the biggest driver of passenger dissatisfaction. Passenger satisfaction with the way Southeastern has dealt with delays over the last five years has been consistently low and is broadly unchanged despite an increased focus on this issue across the industry.

Passenger Focus recommends the following requirements be incorporated into the key objectives for the combined franchise to improve the management of service disruption and provision of information to passengers:

- Contractual targets to improve NPS satisfaction with the provision of information during the journey and a strategy developed and implemented to improve NPS scores for “how well the train company dealt with delay” and “usefulness of information during a delay.”
- A facility for passengers to receive email or SMS text alerts free of charge warning them if disruption will, or is likely to, affect their journey with an associated requirement to achieve a strong level of uptake through marketing of the service.
- Full adoption of the Association of Train Operating Companies' (ATOC) *Approved Code of Practice: passenger information during disruption* and compliance with the Good Practice Guides on provision of passenger information, together with a programme of audit and mystery shopping to assess delivery on the ground.
- Active co-operation to be required with the programme to feed station customer information systems directly from Darwin, the national real time train running database.
- Ensuring that information systems are equipped to explain causes of delay from the current list of industry-wide “agreed reasons” for delays and cancellations.

In addition, bidders must also be required to show and be assessed against the practical steps they will take to improve how passengers are looked after during service disruption, particularly demonstrating their focus on people rather than processes.

## **Management of engineering works**

Passenger Focus is calling on the rail industry to make a simple pledge to keep passengers on trains wherever possible and use buses only as a last resort. It is important that the new operator is incentivised to embrace this approach.

Passenger Focus recommends that improved management of service disruption, whether planned or unplanned, is incorporated into the key objectives for the combined franchise. The specification should include the following requirements:

- A requirement to reduce the impact on passengers of Network Rail maintenance, renewal and upgrade of the railway and, in particular, to demonstrate efforts to minimise total blockades and the use of bus replacement where options exist to divert or operate single line working etc. The operator should be incentivised against accepting Schedule 4 compensation payments for lack of track access in preference to taking any available opportunity to retain some level of rail service.
- The operator to be required to allocate resource specifically to provide dedicated staff at key sites charged with managing the impact of major engineering activity on passengers and ensuring the highest possible quality of information.
- The operator to develop, monitor and regularly review procedures for managing both planned and unplanned disruption and assess the adequacy of plans and actual delivery on the ground with reference to the issues identified in Passenger Focus research into passenger experiences and needs during disruption.
- The operator to contribute to industry work to improve responses to service disruption and make a commitment to rapid adoption of further good practice as it emerges.

The franchise specification should make specific provision for passenger information requirements relating to planned disruption. These should be based on the passenger preferences identified by our route based research.

## **Improving customer experience**

Passengers will undoubtedly expect that a new franchise will include proposals to improve the overall quality of service delivered to passengers. Passenger Focus recommends that the specification sets out clear requirements for delivering improved passenger satisfaction across a range of areas.

Passenger Focus research on stations consistently demonstrates that, in addition to station facilities, there are two key factors that operators need to consider when thinking about how to improve passenger satisfaction with stations: information and staff.

Real-time information provision at all stations should be a core requirement of the franchise.

The pressure on the industry to reduce costs inevitably places a focus on the overheads associated with staff. However, Passenger Focus is concerned that bidders for the franchise do not overlook the very significant roles that staff play and the value that passengers attach to a visible staff presence, especially at stations.

To improve security and safety Passenger Focus recommends that the franchise specification should include CCTV and linked help-point provision at all stations that do not currently have these facilities. Passenger Focus also supports accreditation of stations and car parks through the established industry schemes.

The passenger growth forecasts for the combined franchise mean increased attention will need to be given to how passengers are going to access and pass through stations throughout the life of the franchise.

### **Service quality, targets and transparency**

Passenger Focus strongly supports the principle of monitoring and improving service quality through a combination of NPS results and periodic reviews of Train Operating Company (TOC) Key Performance Indicators (KPIs).

Disaggregated targets for all measures should be set and performance against them published widely. There should be a requirement for the franchise operator to commit to high levels of transparency about all aspects of the franchise, including operational performance and service quality.

Given the very high significance of these factors to passengers the specification must include traditional 'hard' performance targets covering punctuality, reliability and crowding.

### **Fares, ticketing and 'smart' technology**

Whilst 'smart' technology will enable an enhanced offer of ticketing products and services, there is a wider agenda about fares, retailing and revenue protection that must be considered for the new franchise.

Passenger Focus has conducted extensive research with passengers on fares, ticketing and value for money and has identified many issues that remain to be adequately addressed. We set out a number of key issues for the franchise within the response and in a detailed appendix.

### **Revenue protection and penalty fares**

An effective strategy for revenue protection is important for the new franchise. However, the revenue protection strategy must provide safeguards for those who make an innocent mistake and whose intention was never to defraud the system.

### **Accessibility**

Passenger Focus recommends that the franchise specification should include a requirement for the operator to audit the accessibility of stations and establish a minor works fund. In addition to the provisions set out in Disabled People's Protection Policy (DPPP) guidance, Passenger Focus believes the franchise specification should also require a number of specific provisions, which are set out in the response.