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Sent: Thursday, December 8, 2016 7:10:07 PM
To: Jonathan Cooper;
Subject: Grand Southern 1011b17

Thank you for sending Transport Focus details of the application by Alliance, as “Grand Southern”, for rights to operate trains between Southampton Central and London Waterloo. They note that it applies for, from December 2017 until the PCD in 2024, rights including:

firm rights for seven slots every day of the week between Waterloo and Southampton Central (“off-peak” S,SuX);
intermediate calls at Wimbledon (down: pick up only, up: set down only), Hook, Basingstoke, Winchester, Eastleigh;
contingent rights to call at Southampton Airport (Parkway);
the use of refurbished Class 442 trains, each with c. 300 seats;
relief slots for “special or seasonal events”;
contingent rights for additional slots;
from the PCD 2018: two down evening peak services (between 16.00 and 18.59 from Waterloo), one up morning peak service (into Waterloo between 7.00 and 9.30) from both of Southampton Central and Eastleigh;
confidentiality concerns have, to date, limited Alliance’s discussions with Network Rail.

Some background

The route from Waterloo to Hampshire and Dorset is one that has seen a lot of growth over the last couple of decades; the figures for stations at which Grand Southern proposes to call are listed below. All show over 100% growth since 1998, apart from Southampton Central, where the numbers of passengers actually fell from 6,433,514 in 2014/5 to 6,359,692 in 2015/6. The size of the London market at Winchester appears clearly.

<i>Station usage (ORR figures)</i>	1. 1997/8	2. 2015/6	change	2 as % of 1
Hook	376,861	823,428	118.49%	218.49%
Basingstoke	2,817,651	5,739,458	103.69%	203.69%
Winchester	2,247,167	5,040,782	124.31%	224.31%
Eastleigh	828,760	1,677,878	102.45%	202.45%
Southampton Airport (Parkway)	762,185	1,819,432	138.71%	238.71%
Southampton Central	3,216,569	6,359,692	97.71%	197.71%

<i>parking (SWT figures)</i>	<i>cycle spaces</i>	<i>car spaces</i>	<i>occupancy</i>
Hook	24	157	all c.100%
Basingstoke	170	900	
Winchester	26	690	
Eastleigh	130	133	

Southampton Airport (Parkway)	236	900
Southampton Central	292	310

It would appear from the occupancy rates above that additional parking will be necessary at the stations to match growth.

The DfT published its *South Western Franchise Stakeholder briefing* in February 2016, which expects the franchised operator on the route to:

Deliver an excellent experience for passengers which leads to significantly improved passenger satisfaction. Particular consideration should be given to innovative solutions to improving the ticket purchasing experience, the expansion of smart ticketing, the quality of the station environment, on-train facilities, the punctuality and reliability of train services and the commitment to improve compensation arrangements.

What do Passengers want?

The DfT's list is backed up by the results in Transport Focus's January 2016 publication *South Western franchise: passengers' experiences and hopes for future services* (PE&H):

1. More capacity: only 37% of peak-time passengers interviewed for PE&H were satisfied with the "room to sit or stand".
2. Frequent services.
3. Punctual and reliable services, with punctuality not being achieved by longer journey times.
4. Honest, realistic, consistent information that is up-to-date and frequently updated.
5. Ticket-buying that is "smoother, easier and more convenient", with updates as necessary after purchase.
6. New and well-designed trains with reliable Wi-Fi connectivity.
7. Shelter, seating, facilities and security at stations are areas of particular concern to passengers.
8. Pleasant, knowledgeable and helpful staff in attendance, both on board trains and at stations.

Grand Southern's offer compared

1. c. 1,200 seats in the peak, c. 2,100 seats, off peak and SSuO: each way.
 2. Seven, later nine SSuX, trains each day, hourly in the peaks, two-hourly off-peak.
 3. Subject to the ability of the franchise and Network Rail to maintain the service.
 5. "Flexible" season tickets and reservations for season ticket holders are "under consideration".
 6. Refurbished inter-city standard trains with Wi-Fi.
 7. There will be "further applications" in relation to station access.
- 4 and 8 are not known before the service has started operating – current satisfaction scores for Grand Central create an expectation that those for Grand Southern would likely be as high.

It is hard to see how Grand Southern's offer of seven off-peak trains will meet passengers' expectations in terms of frequency; the extra 1,200 peak hour seats could be useful extra capacity. Managing transfer of passengers during perturbation will test Grand Southern's passenger-focussed approach. Transport Focus notes that Alliance has developed timetable paths, and believes there is sufficient capacity on the SWML for the additional services, and that the capacity works at Waterloo will allow the peak services from December 2018.

Conclusion

Transport Focus looks forward to the discussions about this application that are due to take place (4.8 in the Form P), and welcomes the comment that Alliance is "looking to engage" by discussing with commuter groups and others how to improve the "journey to work". It is pleased to note that services on Public Holidays will run to the normal timetable - will that include Boxing Day?

Transport Focus has a presumption in favour of competition because of the benefits it is likely to bring to passengers, provided those benefits do not come at the expense of existing passengers. The ORR has shown that competition has led to passengers benefiting from lower prices; competition by definition provides choice and is likely to increase all operators' focus on customer service. Also, our own National Rail Passenger Survey (NRPS) shows open access operators achieving high levels of overall passenger satisfaction.

Transport Focus welcomes the additional capacity, although, of course, the new franchisee's plans are yet to be announced, and are broadly in favour of the new rights being granted, subject to the following:

'Network benefits' are important; competition must be delivered within a framework of co-ordination, there must be no significant disbenefit to any existing group of passengers. It is important to plan a route in its entirety; the granting of new track access rights should not significantly frustrate the industry's subsequent ability to develop a timetable that maximises capacity, and utility to passengers. Consequently Transport Focus looks forward to seeing how Grand Southern proposes to work with the new franchisee to fit the proposed new services into the South Western Main Line December 2018 timetable.

Thank you for the opportunity to comment on the application.

Regards,

John Sears.