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**Secretariat memorandum**

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LTW554

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Rail franchising: Luton, Bedfordshire and Hertfordshire overview

**1 Purpose of report**

- 1.1. To inform members of the current state of rail franchises affecting these areas.

**2 Recommendation**

- 2.1. That the report is noted.

**3 Background**

- 3.1. There are three main line routes serving these areas outside of London, used by five franchised operators and a small number of calls by open access operators. These include London Midland (Euston – Watford Junction – Milton Keynes and beyond, and including branches to St Albans Abbey from Watford Junction and Bedford from Bletchley); Virgin West Coast (long distance services from London to the North West, North Wales and Scotland, calling at Watford Junction and Milton Keynes); GTR (Thameslink and Great Northern services), East Midlands Trains (St Pancras International to the East Midlands calling at Luton Airport Parkway, Luton or Bedford), Virgin Trains East Coast (Kings Cross to the North East and Scotland calling at Stevenage); and open access operator Hull Trains that calls at Stevenage on Sundays only.
- 3.2. GTR provides the local services between Bedford, Luton and London, continuing south of London to Brighton, the Wimbledon loop and Sevenoaks via the Catford loop under the Thameslink name. It also runs as Southern on the West Coast Main Line with an hourly Milton Keynes – Watford Junction – Clapham Junction – East Croydon service. On the East Coast Main Line it provides local services between London, Stevenage, Huntingdon and Peterborough or Cambridge and Kings Lynn.
- 3.3. London Midland is coming towards the end of its franchise. A replacement franchise (West Midlands) is awaiting the outcome of the franchise bid process.
- 3.4. Virgin West Coast will be replaced in 2019 by a new type of franchise (the West Coast Partnership) that will incorporate train operation of HS2 when this opens. A small number of services call at Watford Junction and Milton Keynes that connect with London Overground, Southern and London Midland services
- 3.5. Virgin Trains East Coast has a long franchise that was awarded in 2014, but this includes timetable changes that reduces the numbers of calls at Stevenage, in favour of reduced journey times between London and Northern cities.

- 3.6. East Midlands Trains (EMT) franchise finishes in 2018 and is in the process of being refranchised. Three potential operators Stagecoach (the incumbent), Arriva and First/Trenitalia are bidding for the franchise.

#### **4 Current issues**

- 4.1 The EMT timetable includes an hourly service between London St Pancras International, Luton Airport Parkway, Bedford, Leicester, Loughborough and Nottingham; an hourly service between London St Pancras International, Luton, Bedford and Corby. Other services also run through the area but do not call. Passengers travelling to or from Luton Airport Parkway to other East Midlands cities and Sheffield normally have to use Thameslink services to change at Luton or to change onto other EMT services at Leicester.
- 4.2 GTR are currently consulting on the proposed new timetable for December 2018 that will introduce the full Thameslink service. This will include additional services to and from St Albans, Luton and Bedford, but also link Great Northern services from Peterborough, Cambridge and Stevenage to the Thameslink core and beyond to South London, Gatwick Airport, Kent and Sussex. However, this will necessarily mean some timetable changes to Virgin Trains East Coast services and also to those of East Midlands Trains and other operators who they interact with at places such as Leicester, Derby, Nottingham and Sheffield. Rail industry processes are being followed to resolve the timetable conflicts that this results in. It is a matter of public record that the conflicts involving EMT are proving difficult to resolve as these may involve the need for extending some journey times.
- 4.3 There is also an aspiration by Luton Airport to stop more EMT services at Luton Airport Parkway. This is because EMT services are the fastest to St Pancras International at 24 minutes compared to 30 minutes by the fastest Thameslink service, and it would also increase the number of destinations in the East Midlands that would be directly served. London TravelWatch has previously supported the concept of more long distance services calling at Luton Airport Parkway provided that there was diminution of the number of calls at Luton station as a consequence. Luton Airport will expand on this during their agenda item.
- 4.4 The advice given by London TravelWatch to the DfT in respect of the East Midlands franchise is attached below as an appendix.
- 4.5 Network Rail are currently in the process of electrifying the route between Bedford and Corby, and at a later date extending this further on the Midland Main Line to Leicester, Derby, Nottingham and Sheffield. This will enable the diesel trains used by EMT to be replaced by electrics. However, further works will need to be done to upgrade the current electrification between St Pancras International and Bedford to allow the use of electric up to 125mph, the current maximum speed of the diesel units in use now on this route.
- 4.6 A further project under development is the East-West rail project. This project, which has its origins in a local authority led proposal, is to restore passenger rail services between Oxford, Milton Keynes, Bedford and Cambridge. An infrastructure company has been set up by the DfT to rebuild the rail line on this

corridor, where it no longer exists or requires extensive refurbishment, such as between Bicester Village and Bletchley, and Bedford and Cambridge. The DfT is contemplating a separate franchise for this route to operate trains when the infrastructure is completed.

- 4.7 When completed this project will allow passengers from Luton to access Cambridge, Milton Keynes, Bicester Village and Oxford by changing trains at Bedford. This will allow many journeys to be made by rail which were previously only possible either by travelling via London or by car or coach..

## **5 Equalities and inclusion implications**

- 5.1. This report poses no specific equalities and inclusion implications.

## **6 Financial implications**

- 6.1. No specific financial implications for London TravelWatch arise from this report.

## **7 Legal powers and financial implications**

- 7.1. Section 252A of the Greater London Authority Act 1999 places a duty upon London TravelWatch (as the London Transport Users Committee) to keep under review matters affecting the interests of the public in relation to railway passenger and station services provided wholly or partly within the London railway area, and to make representations about them to such persons as it thinks appropriate.

## **Appendix A – Advice given to DfT on East Midlands Franchise May 2016**

### **London TravelWatch advice to Department for Transport (DfT) on the East Midlands franchise to commence in 2018**

**May 2016**

The purpose of this advice is to give a passenger perspective on the new contract to be let by the DfT for the operation of the East Midlands franchise starting in 2018.

These aspirations apply to all scenarios of potential franchising letting wholly by the DfT.

This advice covers the main areas of concern to passengers, as noted by London TravelWatch as at May 2016. It should be read in conjunction with previously published research by London TravelWatch available on the website.

The areas covered in this advice are:-

1. Passenger priorities for improvement
2. Value for money research
3. Accessibility
4. Compensation and Delay Repay schemes
5. Timetabled services
6. Reducing dwell times at stations
7. Rolling Stock
8. First class travel
9. Incentive regimes
10. Transparency and stakeholder engagement
11. Community engagement
12. Customer service and complaints handling
13. Staffing stations and trains
14. Security and secure station status
15. Penalty Fares
16. Gating
17. Fares and ticketing
18. Point to Point season tickets and split ticketing
19. Station travel plans
20. Cycle storage
21. Station improvements
22. Travelling environment
23. Seasonal services

This list is not definitive, and there will need to be an ongoing dialogue on how this franchise is managed and improved.

#### **1. . Passenger Priorities for improvement**

Research by Transport Focus showed that passengers wanted rail services in London to improve:-

1. The price of train tickets to offer better value for money – see LTW value for money reports below.
2. Passengers always able to get a seat on the train – tackling crowding issues, see LTW value for money report
3. Trains sufficiently frequent at the times I wish to travel – see comments below on service frequency
4. More trains arrive on time than happens now – see LTW value for money report: train dispatch at stations, tighter operating discipline, platform lengthening to reduce need for selective door opening, and reduction in step / gaps to reduce dwell times at stations.
5. Less frequent major unplanned disruptions to your journey – requires co-ordination with Network Rail to ensure track, signalling and trains operate effectively.
6. Train company keeps passengers informed about delays – development of customer information systems, mobile apps, flow of information to staff and staff training in when, where and how passenger announcements are made.
7. Fewer trains cancelled than happens now – this requires sufficient staff to be available to enable resilient operation.
8. Accurate and timely information available at stations.
9. Journey time is reduced – this requires upgrades to signalling system, and reduction in numbers of temporary speed restrictions: passenger journey time could also be reduced by additional entrances / exits at stations
10. Less disruption due to engineering works – requires better co-ordination with Network Rail and London Underground.

There are twenty one other priorities, these scored much lower than the above ten in terms of passenger need. These were:-

11. Accurate and timely information provided on trains,
12. Inside of train is maintained and cleaned to a high standard,
13. Free Wi-Fi is available on the train,
14. Well maintained, clean toilet facilities on train (in urban context this means on station but well signed posted, preferably at all stations, but if not such that the stations with toilets are evenly spaced),
15. Connections with other train services are always good (this would need a look at timetabling of services at key interchanges such as Bedford, Peterborough, Ely, Nottingham, Leicester, Derby, Sheffield, Leeds, Grantham etc.),
16. Good connections with other public transport at stations (this is where travel plans would be required for all stations),
17. Seating area on train is very comfortable,
18. Improved personal security on the train,
19. Train staff have a positive, helpful attitude,
20. Station staff have a positive, helpful attitude,
21. New ticket formats are available such as smartcards, ticket apps etc.
22. Improved personal security at the station,
23. Stations are maintained and cleaned to a high standard
24. Sufficient space on train for passengers' luggage,
25. More staff available at stations to help passengers,
26. Free wif-fi available at the station,
27. More staff available on trains to help passengers,
28. Reduced queuing time when buying a ticket,
29. There is always space in the station car park (if one is provided – if not how is access to the station encouraged and provided for),

30. Access from station entrance to boarding train is step free (however see LTW value for money research that shows this is a greater priority for passengers),
31. Safe and secure bicycle parking available at the station (see travel plans for stations).

## **A better deal for passengers – improving value for money for fare payers.**

### **2. Value for Money research**

London TravelWatch has commissioned two pieces of research on this issue. These can be found at:-

[http://www.londontravelwatch.org.uk/documents/get\\_lob?id=3734&field=file](http://www.londontravelwatch.org.uk/documents/get_lob?id=3734&field=file)  
and  
[http://www.londontravelwatch.org.uk/documents/get\\_lob?id=3896&field=file](http://www.londontravelwatch.org.uk/documents/get_lob?id=3896&field=file)

In our research the need to pay for access to public toilets at this and other major stations, passengers considered this unreasonable given the price they have paid for their train tickets. Passengers considered that showing a valid train ticket should be sufficient to allow them use of the toilets.

Similarly, at St.Pancras International the lack of 'free' seating not attached to cafes, restaurants, and bars was considered insufficient.

Improving longer term satisfaction with Value for Money, London TravelWatch has found requires improvements in:-

- Giving passengers more information about advance fares and for this franchise about onward journey payment options for passengers arriving in London such as Oyster / contactless or purchasing a paper day Travelcard.
- Better publicising improvement works to let passengers know what is happening and what benefits will be for them, especially when these are not immediately visible or apparent.
- Providing an option to pay for annual season tickets in monthly instalments.
- Addressing the 'hygiene factors' such as charges for the use of toilets at major stations and interchanges: perceived anti-social behaviour and poor layout of stations and carriages.
- Continuing to invest in accessibility, especially in small scale improvements that help people with mobility impairments.
- Improving station and train accessibility by reducing the stepping gaps between trains and platforms.
- Providing more gatelines, at stations with footfalls over one million passenger entries and exits per year.
- Improving staff training and interaction with passengers.
- Enhancing the environment of stations, especially with a smaller footfall, by providing toilets, covered waiting areas and heating, wi-fi, catering outlets and reassurance that CCTV images are being monitored.
- Investigate the feasibility of providing extended canopies at busy stations.
- Improve the quality of information given to passengers, particularly in times of disruption and where multiple operators serve the same station.
- Addressing issues of crowding both on trains and at stations. This might include provision of additional entrances and exits and passenger management systems.

### **3. Accessibility**

Improving the accessibility of the network by making more stations step free from street to platform, and reducing step / gaps between the train and platform are seen by passengers (from our research) as being essential issue that need to be tackled by the rail industry. Our research identified that passengers see a positive benefit in investment in accessibility and that this improves their satisfaction with value for money for the ticket price they pay.

Investment therefore needs to continue in such works e.g. reducing step / gaps, and by providing step free access at stations. London TravelWatch would recommend that priority be given to small scale improvements.

### **4. Compensation and Delay Repay schemes**

London TravelWatch welcomes the governments' commitment to reducing the threshold for Delay Repay compensation to 15 minutes, and advocates the introduction of automatic repayment mechanisms in line with TfL's practice for Oyster / Contactless payment cards. The new franchise should include a commitment to introduce both these elements; continue with the current operators' initial offering of automatic refunds on advance purchase tickets and find ways to enhance this to cover journeys booked through other operators and third parties.

## **Tackling crowding issues and stimulating growth**

### **5. Timetabled services**

The areas for improvement by priority are:-

- Improvements in service recovery following disruption
- Providing services on Boxing Day or its Bank Holiday equivalent.
- Providing direct services to small and medium sized towns and areas of population not currently provided with direct services to and from London. In particular improving connectivity between London and places such as Lincoln, Spalding and Boston, which have grown in population but which have not had a commensurate level of passenger train service introduced. The replacement of semaphore signalling in this region with modern signalling should allow this to take place. Similarly connectivity to places such as Burton-on-Trent, Matlock and Huddersfield to and from London should be considered
- Improving the numbers of services calling at Luton Airport Parkway, and improving the range of direct destinations from this station.

### **6. Reducing dwell times at stations**

The continued growth of usage of the rail network has meant that dwell times at stations have become more extended. In order to maintain overall journey times, measures need to be taken to reduce and minimise dwell times by effective dispatch techniques and staffing, reducing step/gaps and the need for selective door opening on trains. A more punctual railway by definition means that crowding issues become more manageable and less acute.

## **7. Rolling stock**

East Midlands operates a variety of train types, often intermixed on the same route. It would be helpful to consider a more standardised fleet, in terms of consistency of passenger expectations and of flexibility at times of disruption. Ideally, the 'Meridian' type diesel trains with their electric transmissions would be upgraded to include an additional carriage with a pantograph to allow use of electric power when operating under overhead power supply lines. This would have the advantage of giving additional capacity at peak times and improving air quality between London and Bedford until the electrification of the remainder of the route is complete.

## **8. First Class Travel**

London TravelWatch conducted research amongst first class travellers in 2010. This can be found at

[http://www.londontravelwatch.org.uk/documents/get\\_lob?id=2217&age=&field=file](http://www.londontravelwatch.org.uk/documents/get_lob?id=2217&age=&field=file) .

This has a number of implications for longer distance services in the East Midlands franchise. We would like to see these applied to East Midlands services to and from London.

## **Improving reliability and reducing the number of unplanned disruptions**

### **9. Incentive regimes**

These need to be balanced between perception (e.g. National Rail Passenger Survey, TfL Customer Satisfaction Survey) and qualitative surveys e.g. SQMS or SQUIRE.

The areas where incentive regimes should be considered are:-

- Punctuality
- Reliability
- Ticket office opening hours
- Ticket Vending Machine availability
- Station and train cleanliness
- Station facility availability
- Staff visibility on trains and stations
- Staff behaviour and knowledge during a mystery traveller exercise
- Ticketless travel – this should include the attendance compliance of gatelines and proportions of revenue protected separately for East Midlands and other train operators
- Crime and anti-social behaviour
- Information provision
- A general measure of 'Value for Money' by passengers
- Complaints and appeal complaints proportionate to the volume of passenger journeys carried by the concession.

## **Other issues**

### **10. Transparency and Stakeholder engagement**



It is imperative that this concession operates in a passenger beneficial, focused and friendly way. A key element of this is a clear and committed relationship by the operator to work with London TravelWatch as the statutory passenger watchdog to ensure these passenger needs are met. London TravelWatch expects a very good relationship with any franchisee. This should be open and collaborative in character and beneficial to both sides and to passengers, as a result of the outcomes agreed between the two organisations, over the course of time.

The current structure of the relationship between East Midlands Trains and London TravelWatch is based on regular diarised meetings held every six months and covers all aspects of the operation of the franchise, and held at this level to ensure that decisions are made at the appropriate managerial level.

The relationship is independent of any contractual relationship with DfT. In addition, other meetings are held to deal with specific issues at lower managerial levels of responsibility.

The new contract should also seek to ensure that the franchisee / concessionaire operates in a transparent and open way with all other stakeholder and passenger groups. It should operate a policy of disclosure except where there is a need for commercial confidentiality.

Given the diverse nature of the population served by East Midlands Trains, the new franchise should be required to ensure that the views and voices of minorities are sought and listened to. It is recommended that an appointed passenger panel (that reflects this) is constituted to operate as a 'sounding board' for issues affecting passengers on the East Midlands network.

## **11. Community engagement**

A key element of the growth in patronage of rail in the area served by the East Midlands franchise has been the engagement of train operators with local communities. This includes formal and informal Community Rail Partnership and station sponsorships covering community and 'edible' gardens maintained by volunteers; the sponsorship of local community festivals in the area served by the franchise; the operation of 'meet the manager' sessions at stations; and attendance by officers and managers of the franchise at meetings organised by local authorities and interest groups.

Similarly encouraging local businesses to operate from stations operated by the concession helps engage the community and encourages footfall at stations e.g. coffee shops and cafes, flower shops and stalls, dry cleaning, parcel and grocery collection points.

## **12. Customer service and complaints handling**

Good customer service and handling complaints well is an essential part of a well run franchise / concession. The current operator has had a variable track record in this area and so there is considerable scope for improvement. The concession holder should be incentivised to pursue policies that produce an outcome of continuous improvement and of seeking to be 'best in class' both nationally and locally within the London area.

To do this regular auditing of the franchisees complaints handling function by London TravelWatch should be carried out and paid for by the franchisee. London TravelWatch would charge the cost of this on a cost recovery basis.

### **13. Staffing stations and trains**

Research by London TravelWatch showed that passengers value the visible presence of staff at stations and on trains.

The new franchise should seek to specify:-

- Staff availability by station
- Mystery shop staff knowledge and compliance with availability requirements

### **14. Security and 'Secure Station' status**

It is essential that all stations and trains on the East Midlands network be seen to be safe and secure by passengers. This is measured through the Secure Station accreditation scheme. The new franchise should be required to achieve and retain this status for all of the stations that it manages and to encourage and enable the station facility operators of other stations that it serves but does not manage to do likewise.

In the case of Closed Circuit Television (CCTV), the operator should demonstrate that this is monitored in real time and that it can provide appropriate and timely responses to issues that arise.

### **15. Penalty Fares**

As a long distance train operator the East Midlands franchise does not currently operate a Penalty Fares regime in the London area but instead relies on railway byelaws and the use of Unpaid Fares Notices. However, other operators serving the same stations do have Penalty Fares regimes and it is important that passengers are treated consistently between the different types of operation.

For passengers travelling from stations served by other operators and connecting on to East Midlands there must be an appropriate mechanism for determining whether there is appropriate ticketing available at this station that is made available to East Midlands revenue protection staff.

The use of discretion is an essential component of any penalty fare scheme. Staff must be trained and empowered to use discretion when applying penalty fares, backed up by 'mystery traveller' audits to check for compliance with this.

### **16. Gating**

Provision of ticket gates and staffing of stations is a significant factor in reducing fare evasion on the rail network. East Midlands connectivity with the rest of the National Rail network means that measures to ensure that ticketless travel is kept to a minimum have a wider benefit.

The franchise should have a requirement to ensure that all gatelines are operated throughout the operation day, with penalties for periods where such gates are left unattended.

As a minimum London TravelWatch recommends that all stations with a throughput of one million or more entries and exits as measured by the ORR's annual station usage statistics should be considered for gating<sup>1</sup>.

## **17. Fares and Ticketing**

The current boundary for the use of Oyster / Contactless ticketing does not reflect passenger needs or expectations. Expansion of the area should be a priority to include Luton Airport Parkway as this serves London Luton Airport. This would reduce the numbers of Penalty Fares issued from existing Oyster / Contactless card holders who wrongly assume that as a London Airport it is part of the Oyster / Contactless system.

London TravelWatch recommends that Ticket Vending Machines operated by East Midlands are upgraded to allow the sale of tickets from stations other than from where the machine is located, as is the practice on Southern, Thameslink and London Overground. This would include extension tickets from 'Boundary Zones'. The latter should also be available via internet sales. Enhancing the capabilities of East Midlands Trains Ticket Vending Machines at St.Pancras International should also include the ability to buy tickets from other stations and 'Boundary Zones', and the ability to top up and add products to Oystercards.

Improving the ticketing offer on journeys over the London to Bedford section of route by having similar conditions of travel to Thameslink services e.g. 4 for 2 (Group Save) tickets to be accepted between Luton Airport Parkway and London should be included.

Ticket machines must also have the ability to accept by a variety of means including cash. This is particularly important with 'virtual ticket offices'. However, where there are multiple ticket machines it would be acceptable for some of these to be limited to card only payments.

We would also not like to see any reduction in the availability of discounted fares and tickets to Annual Goldcard and Network Railcard holders as has occurred on other inter city train operators such as Virgin West Coast and Virgin East Coast.

See also recommendations from London TravelWatch 'Value for Money' report.

## **18. Point to point season tickets and split ticketing**

It would be in the passenger interest for any new franchisee to address anomalies in the fares structure that create through fares that are more expensive than a combination of tickets.

## **19. Station Travel Plans**

These have been successfully implemented by a number of operators in the London area including Southern. These are an important part of the process to plan the marketing of East Midlands services at a local level, and of services of other operators that serve these stations. In the case of the original London Overground stations from

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<sup>1</sup> London TravelWatch accepts that there are a number of deficiencies with the accuracy and method of calculating station usage in the London area by the ORR, however, despite this the figures are sufficient to be used as a proxy for assessing whether a station should be gated or not. Previously, when stations have been gated this has resulted in a significant increase in recorded use of stations.

2007 an audit was undertaken of public signage to each station within a ten-minute walking distance to ensure that the station was 'visible' to the local community. This exercise should be replicated for all stations under the control of East Midlands Trains. Once finished this audit should form the basis of an action plan between DfT, TfL, the operator(s) and the local authority.

In August 2015 London TravelWatch published its research report on passenger expectations for a good interchange<sup>2</sup>. This includes an evaluation of the efficacy of interchange for passengers. This involves the use of a 'mystery travelling' exercise, which is freely available for the operator to use as part of its service proposition. The evaluation from this forms the basis of rating system to encourage best practice at stations, and to incentivise the operator to obtain a high grade mark for the stations that it operates and/ or serves. This will involve the ability to collaborate effectively with other train operators, Network Rail, bus companies, other parts of TfL's network, and with highway authorities in order to achieve this.

## **20. Cycle storage**

An audit should be carried out at each station to determine a) the peak occupancy of existing cycle storage at each station and b) the prevalence of 'informal' cycle parking in the immediate vicinity of each station at peak times. The results from this should then inform decisions on the need for additional cycle storage at each station or other measures such as improved security or better access to encourage the optimum use of existing storage facilities. Discussion with local cycle or amenity groups would help inform decisions at each station.

## **21. Station improvements**

All stations should be audited for accessibility, availability of information, security, passenger facilities such as toilets and environmental ambience. This information should be then used to inform decisions on investment in these stations and/or bids to external parties to fund such improvements. Improvements in accessibility should have a higher priority particularly if this can be achieved when other works are undertaken, even if this means that only part of a station is made accessible in the first instance.

## **22. Travelling environment and information**

After cost and reliability, the travelling environment is the next most important area of passenger satisfaction. For full details of London TravelWatch research, please go to [http://www.londontravelwatch.org.uk/documents/get\\_lob?id=3780&field=file](http://www.londontravelwatch.org.uk/documents/get_lob?id=3780&field=file) .

## **23. Seasonal services**

The change in population make up and habits around holiday periods means that the current railway practise of network closure on Boxing Day means that it is important for the new franchise to include operation of services on this day.

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<sup>2</sup> [http://www.londontravelwatch.org.uk/documents/get\\_lob?id=4040&field=file](http://www.londontravelwatch.org.uk/documents/get_lob?id=4040&field=file)