



New South West Trains Franchise

**Local Committee (Woking)
28 February 2007**

KEY ISSUE

To update the committee on the new South West Trains franchise

SUMMARY

The new South West Trains franchise commenced on 4 February 2007, with some changes to services, trains, ticketing arrangements and services.

OFFICER RECOMMENDATIONS

This report is for information.

INTRODUCTION

1. Following a competitive tender process, on 22 September 2006 the Department for Transport awarded the new South Western train services franchise to the incumbent operator, Stagecoach. The company fought off competition from First, Arriva and a joint bid from National Express Group and the Hong Kong Mass Transit Railway. The new franchise commenced on 4 February 2007 and runs for 10 years, with the final three years subject to Stagecoach achieving agreed standards of performance. The franchise will see Stagecoach paying the Government £1.191bn (net present value) over the duration of the franchise. The full payment details can be found in Appendix 1.
2. The new franchise incorporates the Isle of Wight's Island Line as part of the franchise, in line with the Government's policy of reducing the number of train operating franchises where possible. Through tickets to Isle of Wight destinations, including ferry travel, continue to be available.

IMPACT ON TRAIN SERVICES TO/FROM WOKING BOROUGH:

3. Few major changes are expected to be made to the current timetable during the validity of the franchise. However, an extra Woking to Waterloo early morning peak service is planned from December 2007. Trains to Weymouth will run twice per hour for most of the day (up from the current one train per hour), by extending the trains that currently terminate at Poole. This will also start at the December 2007 timetable change.
4. The DfT is keen to see the introduction of an hourly service to Exeter along the London-Woking-Salisbury-Exeter route by 2009, assuming that infrastructure improvements can be put in place by Network Rail.
5. The Woking-Heathrow RailAir coach service, for which through rail-coach tickets can be bought, remains. It will serve the new Terminal 5 at the airport when it opens in March 2008.
6. In terms of trains, a rolling stock reshuffle has seen the withdrawal of the Class 442 trains which used to run on London-Woking-Weymouth services. These have been replaced by 'white Desiro' trains which have been moved from the London-Woking-Portsmouth route. Their place has been taken by 'blue Desiro' trains which have a more 'suburban' feel to their interior layout featuring shorter carriages and 2+3 seating (i.e. two seats on one side of the aisle, with rows of three seats on the opposite side) so journeys from Woking to Portsmouth now feel less like 'express' services in terms of ambience, although the journey time is the same. The blue Desiros have more seats, which South West Trains says is necessary to meet demand on the route. The blue Desiros themselves have come from the Reading and Weybridge (via Hounslow) lines where they are being replaced by suburban 'Juniper' units, which it had previously been South West Trains' intention to withdraw and return to their leasing company.
7. South West Trains' fleet of eight two-carriage diesel trains which are used on Salisbury/Exeter services (in conjunction with 22 three-carriage trains)

are currently being replaced by refurbished three-carriage trains, providing extra capacity.

8. Finally, the refurbishment of the red suburban trains, which serve smaller stations in Woking Borough, is continuing. This programme has seen the installation of CCTV cameras and internal destination displays, the removal of some seats to give more standing room for peak time commuters, and the installation of improved seating where seats remain.

NETWORK-WIDE ISSUES:

9. The new franchise includes a commitment to introduce a smartcard system by 2009. This will be similar to the London Oyster card, and should be compatible with it within the London Travelcard zonal area, although the software system on which the South West Trains smartcard operates will be different. South West Trains expects to use the smartcard system to incentivise travel outside peak times, but says it does not plan to penalise those who travel at peak times.
10. Automatic ticket gates, which can help reduce ticketless travel, will be provided at 14 stations including London Waterloo. None of these are in Woking Borough, and only one (Haslemere) is in Surrey. All the gates will be smartcard-compatible.
11. An extra 2,000 car park spaces across the network are a franchise commitment, and South West Trains has gone on record to say that it would like to provide 3,000, subject to planning constraints.
12. Station improvements worth £40m will be delivered over the course of the franchise with major enhancements at 14 stations (there are no details as to the identity of the 14 as yet), security improvements and general refurbishments. All CCTV cameras will be linked to a central monitoring point.
13. Regulated fares will, as has generally been the case in recently awarded franchises, be allowed to rise at RPI+1% per year, with unregulated fares set at the discretion of the train operator. The 'Megatrain' concept of very cheap, internet book-ahead tickets, will continue and be extended in scope.

THE COUNTY COUNCIL'S ROLE IN THE NEW FRANCHISE:

14. The County Council's Passenger Transport Group was consulted by bidders during the franchising process, and some of these meetings included the Executive Member for Transportation. The County Council made it clear to bidders that improvements to the quality of station facilities were urgently needed, as well as measures to improve personal security and tackle antisocial behaviour and ticketless travel. Bidders were also told that they should facilitate partnership working with the County Council, to match best practice at other train operators, in order to draw on Local Transport Plan funding to improve facilities at stations and encourage sustainable access to stations.

15. The County Council's Passenger Transport Group is developing partnership-funded improvements to station facilities at several Surrey stations. There are no improvements currently scheduled for the 2007/08 financial year in Woking Borough, but in future years, Passenger Transport Group will be looking to South West Trains to work in partnership to improve personal security at stations, make station facilities more fit for the 21st Century, enhance sustainable access and make stations more accessible to all.

EQUALITIES ISSUES:

16. Separately from the new franchise, the Department for Transport is providing funding to Network Rail through its "Access for All" program to install step-free access at stations between platforms and at least one entrance per station.
17. In Woking Borough, West Byfleet is expected to receive this treatment at some date between 2009 and 2011, while Woking station itself is already considered accessible. There are no firm plans to provide a step free route to platforms at other stations in Woking Borough.

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Background papers: none

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Initials: SG

No of annexes: 1

Annex 1: South Western franchise payments

Present value of nominal payments:

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
£16.2	£61.2	£23.2	(£36.5)	(£74.4)	(£117.4)	(£160.1)	(£193.9)	(£223.6)	(£250.4)	(£235.2)

Franchise payments in 2006/2007 prices:

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
£16.3	£63.6	£25.0	(£40.7)	(£85.8)	(£140.0)	(£197.6)	(£247.9)	(£295.7)	(£342.8)	(£331.5)

Notes:

Year 1 represents the partial year ending 31 March 2007; Year 11 represents the partial year ending 4 February 2017.

Figures not in brackets represent subsidy from the Government to Stagecoach; those in brackets represent premium payments from Stagecoach to the Government

[Source: Department for Transport]