

**SOUTH EAST ENGLAND
REGIONAL TRANSPORT BOARD**

Date: 16 May 2008

Subject: **South Central Franchise**

Report of: Director of Development
South East England Regional Assembly

Recommendation:

It is recommended that the Board agree Annex I as the region's requirements for the South Central franchise specification.

Purpose of Report:

To set out the strategic issues related to the re-letting of the Franchise, identifying key objectives and including recommendations on "core requirements" and "priced options.

Key Issues:

The preparation of the specification for the re-letting of the South Central franchise provides an opportunity for the Board to ensure that rail services support delivery of the regional policy framework of the South East Plan and the Regional Economic Strategy. This report also identifies the strategic issues that need to be reflected and incorporated within the franchise specification.

1. Context

- 1.1. The franchise covering south London, eastern Surrey, most of East and West Sussex is known as the “South Central Franchise”. The present franchise (held by Govia, operating under the trading name “Southern”) expires in late 2009 and the process for awarding the new franchise will begin later this year.
- 1.2 Following the presentation by Matthew Lodge (South Central Franchise Sponsor) from the Department for Transport (DfT) at the Board’s meeting in January, we have liaised with Local Authorities across the franchise area to develop a regional perspective on the strategic issues that need to be addressed in the future development of rail services in the area covered by this franchise. The Regional Transport Coordination Group (RTCG) debated this issue at its meeting in April.
- 1.3 Although the immediate focus for the Board’s debate is the letting of the new franchise work has also recently begun on the preparation of a new Route Utilisation Strategy for the Sussex area. The RUS, prepared by Network Rail in liaison with stakeholders, provides a longer-term view on the future role of the rail network. As a result it will be possible to ensure that the letting of the next franchise can take place within a longer-term framework that is more closely aligned with the need to ensure that rail’s potential to support the regional policy framework is maximised.

2. The Regional Perspective

- 2.1 Annex I presents the region’s view on the issues that need to be addressed through the letting of the next franchise. The franchise opportunities presented in Annex I are set out in terms of whether they should be considered as ‘core requirements’ or ‘priced options’. Core requirements are issues that we propose potential bidders should be required by the DfT to be included in their proposal to operate the franchise. Priced options are issues that we propose potential bidders should be required by DfT to provide a price for including the requirement as part of the franchise.
- 2.3 This Board has the opportunity, through the Regional Funding Allocation, to advise the Secretary of State on the potential for investment channelled through the Regional Funding Allocation to complement investment managed centrally by the DfT. In this regard some of the priced options identified in Annex I may warrant further consideration as part of the forthcoming ‘refresh’ of the regional programme. Obtaining a cost for the provision of the ‘priced options’ is therefore an essential first step in enabling this Board to come to a view as to whether it may wish to recommend the investment of RFA funds as part of the new franchise.

3. Network Wide Considerations

- 3.1 It is important that capacity constraints and improvements within Greater London - identified in the South London Route Utilisation Strategy (March 2008) - inform the franchise specification, given the knock-on impacts to infrastructure and services operating in the region.

- 3.2 It is important that new franchise agreements include a clause to ensure the franchisees takes advantage of infrastructure improvements occurring during the franchise period. In the case of South London for example, the following capacity improvements are relevant to the re-letting of the South Central franchise:
- a. Suburban routes from Charing Cross and Cannon Street having trains lengthened from 10-car to 12-car
 - b. Suburban routes via Balham are recommended for trains lengthened from 8-car to 10-car, with provision for 12-car trains in the longer term
 - c. The Sydenham and East Grinstead routes are recommended for lengthening from 8-car to 12-car
 - d. Congestion relief works recommended for the busiest stations to ensure satisfactory passenger flows around the station, for example at Clapham Junction and East Croydon
 - e. Freight capacity at certain locations, notably between Clapham Junction and Croydon, is an important aspect of the off-peak timetable, and passenger train services will need to be planned accordingly.

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**South Central Franchise
Input from South East England Regional Transport Board**

I. Alignment with the regional policy framework

a. Regional Spatial Strategy (South East Plan)

The franchise specification needs to reflect the spatial strategy set out in the South East Plan. The main centres of development in the region are identified as regional 'hubs'. These are in turn connected by a series of regional 'spokes'. Service patterns provided through the franchise should support the development of regional hubs with particular emphasis given to the development of services along the regional spokes. The key designations pertinent to this franchise are:

Regional Hubs	Regional Spokes
Ashford	Ashford – Hastings - Brighton
Brighton	Brighton - Portsmouth-Southampton
Crawley / Gatwick	Brighton - Gatwick – Redhill - London
Guildford	Crawley/Gatwick - Redhill – Tonbridge - Ashford
Hastings	Gatwick – Redhill – Guildford – Reading (impacts on)
Portsmouth	
Redhill / Reigate	
Southampton	
Tonbridge / Tunbridge Wells	

b. Regional Economic Strategy

The franchise specification needs to reflect the opportunities identified to realise the potential of the following 'Diamonds for Investment and Growth':

Crawley/Gatwick

Brighton

Partnership for Urban South Hampshire

2. Franchise Opportunities

The franchise specification needs to support delivery of the spatial strategy in the South East Plan and the economic development strategy in the Regional Economic Strategy. To that end the Regional Transport Board has identified the following outcomes as being matters that need to be addressed through the specification for the South Central franchise:

Objective	Output Sought	Core or Priced Option	Issue for the South Central Franchise specification
Brighton-Hastings-Ashford corridor (East Coastway)			
Fast links between Brighton, Hastings and Ashford to underpin the regeneration of Hastings and growth of Ashford; in particular, the link to/from Brighton is important for development of the creative industries sector. Rail key in the absence of a continuous high (Hastings is a designated regional Priority Area for Economic Regeneration and Ashford a government-designated Growth Area.)	Faster journey times hub to hub between Brighton, Hastings and Ashford. Current best time Brighton-Ashford is 1h44m for 66 miles (38mph).	Priced	i) Construction of the Willingdon chord to reduce Brighton-Hastings-Ashford journey times; provision of a fast service (hourly or better) to take advantage of it.
	An indicative target is to cut Brighton-Hastings from 1 hour to <45min; Brighton-Ashford to <90min on an hourly or better fast service, whilst protecting an adequate local service.	Core	ii) Co-operation of franchisee with local authorities to examine potential to relocate Polegate Station adjacent to A27 in support of development proposals in Hailsham-Polegate area and with strategic park & ride opportunities;
		Priced	iii) Infill electrification of Hastings-Ashford services;
		Core	iv) Provision of increased capacity on Brighton-Ashford service.
		Core	v) Co-operation of franchisee with proposal to construct new station at Park Farm identified as part of the Ashford Masterplan as an integral element of the growth strategy.
Brighton-Portsmouth/Southampton corridor (West Coastway)			
Fast links between Brighton, Portsmouth and Southampton to underpin the regeneration and growth of South Hampshire, Brighton and the West Sussex; in particular, the link to/from Brighton is important for development of the creative industries sector. (South Hampshire including Portsmouth & Southampton is a government-designated Growth Point.)	Faster journey times hub to hub between Brighton Portsmouth, and Southampton. Current best time Brighton-Southampton is 1h45 for 62 miles (35mph).	Priced	i) Construction of additional passing loops at appropriate locations along the West Coastway; provision of a fast service (hourly or better) to take advantage of improved operational flexibility whilst maintaining adequate local services.
	An indicative target is to cut Brighton-Southampton to <90min on an hourly or better fast service, whilst protecting an adequate local service.		

Objective	Output Sought	Core or Priced Option	Issue for the South Central Franchise specification
Crawley/Gatwick – Redhill – Tonbridge – Ashford corridor			
Improved connectivity between the designated regional hubs of Crawley/Gatwick, Redhill, Tonbridge/Tunbridge Wells and Ashford. Provision of a convenient rail service to the Gatwick Airport international gateway from the regional hubs along the corridor, including from the designated Ashford Growth Area.	Continuation of direct services to Gatwick from Tonbridge possibly extended to Ashford. [Or high quality interchange facilities at Redhill meeting the needs of airport passengers]	Core Priced Priced	i) Retention of existing 2tph on Redhill – Tonbridge route; ii) Explore use of capacity on Tonbridge-Ashford route released following introduction of domestic services on the CTRL to develop direct services from Ashford-Tonbridge-Redhill iii) Restoration of direct rail services from Tonbridge via Redhill to Gatwick Airport
Brighton – Gatwick – Redhill – London corridor			
Improved capacity and connectivity along the Brighton-Gatwick-Redhill-London corridor.	Requirement on franchisee to support proposals to remove capacity bottleneck at Gatwick Airport Station being promoted by Network Rail/BAA. Requirement on franchisee to work with Local Authorities and other partners to identify opportunities to increase overall capacity between South Coast and London.	Core Core	i) Increase services from London to Gatwick Airport through to Brighton; ii) Co-operation of franchisee with Network Rail/ Central Rail Corridor partnership (consisting of regional and local authorities) GRIP2 assessment of the potential to reopen the Lewes-Uckfield rail corridor.
Gatwick – Redhill/Reigate – Guildford – Reading corridor (indirect impact)			
Improved connectivity between the designated regional hubs of Crawley/Gatwick, Redhill/Reigate, Guildford and Reading. Provision of a convenient rail service to the Gatwick Airport international gateway from the regional hubs along the corridor.	Requirement on the franchisee to support the scheme to remove the capacity bottleneck at Gatwick Airport Station being promoted by Network Rail/BAA, and to co-operate with work to achieve 2tph Reading-Gatwick.	Core	i) Co-operation of franchisee with Network Rail to remove constraints preventing delivery of the Great Western franchise requirement to increase Reading-Guildford-Gatwick Airport direct through service to 2tph.

Objective	Output Sought	Core or Priced Option	Issue for the South Central Franchise specification
Franchise-wide			
Improve access to national rail services	<p>Prioritise investment in station improvements delivered through the national programme on Regional Hubs. Secondary priority should be Primary Town Centres (as defined in the South East Plan).</p> <p>Prioritise investment through Access for All programme on Regional Hubs. Secondary priority should be Primary Town Centres.</p>	Core	i) Requirement on franchisee to work with Network Rail and Local Authorities to deliver a package of access improvements, improved public transport at hub stations and increased car parking provision at parkways;
		Core	ii) Requirement on franchisee to work with Local Transport Authorities and bus operators to promote PlusBus;
		Core	iii) Training for customer facing staff to raise awareness of accessibility issues faced by disabled and reduced mobility passengers;
		Core	iv) Co-operation of franchisee with local planning and transport authorities, and other partners, to deliver step-free infrastructure complementing rolling stock (for example step-free access between platforms and trains, or between bus stops and buses on station forecourts)
		Core	v) Requirement to provide ITSO compliant equipment across the franchise area

Core options =	Components of the franchise specification that operators must include in their tender submission. These will form part of the final franchise agreement and seek to fulfil the high level objectives for the franchise set by the DfT.
Priced options =	Additional components of the franchise specification that operators should provide cost information on in their tender documents. These options generally address wider aspirations for the network, which could form part of the final specification, depending on their financial and operational impacts.