

Huw Merriman MP
House of Commons
London
SW1A 0AA

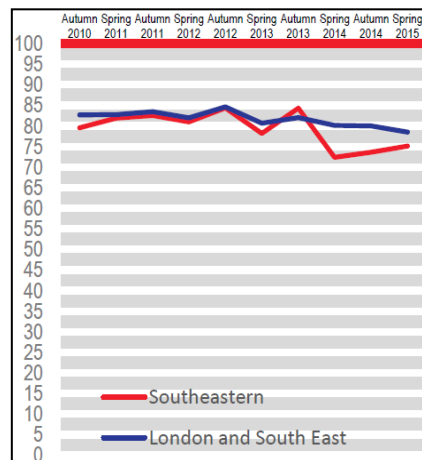
20 October 2015

Dear Huw,

Further to the meeting at London Bridge on 10 September, I thought it would be useful to provide you with further information on Southeastern developments which were not covered at the meeting due to time constraints.

In the last quarter, we have continued our hard work to deliver improvements across our network, addressing the issues which passengers tell us are most important to them. I have attached an updated version of our Passenger Plan and I will cover below our achievements over the last 3 months as well as our plans to further enhance passengers' experience.

We recently received the results of the Spring 2015 National Rail Passenger Survey and we were pleased to see our second successive rise in overall customer satisfaction with significant improvements in 15 areas. We are one of only a small number of train operating companies in the country to deliver improved results this year.



The number of passengers who say they are satisfied with their stations on the Southeastern network has increased from 73% to 77% and those satisfied with the upkeep/repair of station buildings and platforms has risen six points to 69%. We believe this is largely due to the investments we have made in improving stations and completing a deep clean programme at all of our stations.

With regards to our trains, the number of passengers who are satisfied with their punctuality and reliability now stands at 73%; a five point increase on the previous survey. This follows the successful implementation of our biggest timetable change for five years, resulting in a year on year improvement on punctuality.

Whilst we developed a robust timetable to accommodate the London Bridge rebuild, we recognise that some passengers are inconvenienced by the Thameslink Programme and this is likely to have been the main contributing factor to the decrease in customer

satisfaction in relation to connections with other train services and the frequency of trains on routes on the Metro line.

We were pleased to see an increase in customer satisfaction with regards to the information we provide on board, particularly on the mainline and metro services; an area of improvement which Transport Focus highlights as a priority for passengers. In addition, we have moved our Twitter handling team in house and turned it into a 24/7 service, meaning passengers can talk to Southeastern employees based in our control centre in real time in order to find out specific information about the service they are on.

While the rise in our overall customer satisfaction figures show we are bucking the national trend, and indicate that new initiatives put in place for our passengers are having a positive effect, we know we have considerable work to do to regain passengers' trust and confidence.

We have therefore continued to focus on the top five priorities identified by Transport Focus in your October 2014 report into passenger priorities for the UK's rail industry:

1. Price of train ticket offers better value for money;
2. Passengers always able to get a seat on the train;
3. Trains sufficiently frequent at the times I wish to travel;
4. More trains arrive on time than happens now; and
5. Train company keeps passengers informed about delays.

1. Price of train ticket offers better value for money



In September, we launched our rewards platform for Gold Card season ticket holders, which can be found at www.southeasternrewards.co.uk. We believe that our loyal customers deserve a thank you, so we are rewarding them with treats and special offers every month via our rewards platform.

Gold Card holders can sign up to receive rewards every month, such as; gym membership, book downloads and newspapers.

We continue to work hard with TfL to accelerate the extension of Oyster PAYG and we successfully introduced both Oyster and CPAY at Stratford International and St Pancras International on 31 July, ten months ahead of our franchise commitment. We have also introduced Oyster at Dartford four months ahead of schedule.

We have continued our “surprise and delight” campaign, aimed at thanking our passengers for travelling with us in a range of thoughtful and unexpected ways. The ‘Taste of the Proms’ string quartet popped up across stations including Bromley South, Lewisham and Canterbury recently. This proved so popular that some customers asked where it would appear next and visited stations specially to see the quartet again.



We will be running another Kids for £1 campaign from October to November and a winter campaign to promote our advance tickets from mid November. In order to deliver further value for money for leisure passengers, we also introduced new Off Peak tariffs at our car parks from June this year.

Our marketing campaigns are consistently achieving strong returns on investment, with a 4/1 return on average for the leisure travel promotions we have run. We are refreshing our brand across the business in response to passenger feedback, with simplified, clearer and more direct messaging.

We continue to work closely with the DfT to introduce WiFi on Southeastern services and we are due to submit our refined proposal on 31 October for DfT review. We also continue to work with the DfT SEFT team to introduce smartcards on the Southeastern network from January 2017.

2. Passengers always able to get a seat on the train

We have submitted a second report to the DfT regarding the Priced Option to introduce additional rolling stock on Southeastern in order to address the severe overcrowding problem we have on our services. We have conducted a stabling study to identify options for stabling the additional units at various locations on the Southeastern network.

We continue to work closely with both GTR and DfT to facilitate a decision to be made in terms of funding and timescales for the additional stock.

The timescales required for enhancements to stabling facilities for these initiatives mean that decisions on these issues will need to be made soon so as not to import delays where units are potentially spare, but not able to operate in traffic as there is nowhere to place them when not in service.



We understand our passengers' frustration at overcrowding on their services and in the absence of extra units, we have tried to help people find more lightly loaded trains by launching a traffic light system on our website. We have recently started a programme to



reduce and relocate First Class seating on our Mainline fleet, creating up to an additional 735 Standard Class seats.

Our analysis of First Class journeys showed that these areas are significantly underutilised and could be reduced without compromising the availability of a seat for First Class ticket holders. We will make these changes as part of the rolling stock mid life refresh programme in order not to adversely impact unit availability.

3. Trains sufficiently frequent at the times I wish to travel

We have actively sought feedback from passengers and stakeholders to inform our next significant timetable change in August 2016, required as a result of the Thameslink Programme and the London Bridge station rebuild, and we continue to work closely with the DfT to specify the new Service Level Commitment. Feedback on the draft timetable, which we consulted earlier this year, was largely positive and we have taken on board proposed changes wherever possible.

Passengers will see a number of benefits from the December 2015 timetable change including the transfer of Teynham stops from the Ramsgate services onto the Dover services, in response to representations from Teynham Council and passengers, and the enhanced frequency of services on the Maidstone East Line until later in the evening. We have received positive feedback on our December amendments from Transport Focus, Kent County Council and local user groups.



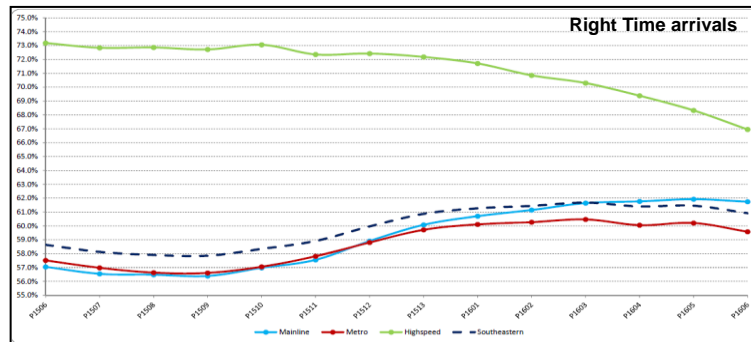
In addition, from Spring 2016, when the new Rochester Station and signalling are both complete and operational, all peak Cannon Street and Victoria services will call at the new station providing greater frequency of service and capacity for the people of Rochester.

We have also been operating additional highspeed services to provide sufficient capacity on Rugby World Cup match days, where many additional passengers have been using Southeastern services to travel between Kent, London and the Queen Elizabeth Olympic Park. We took the decision to fund these additional services, despite the expensive HS1 access charges, both in recognition of the forecasted passenger numbers as well as in consideration of our existing highspeed passengers who already experience crowding on peak services.

4. More trains arrive on time than happens now

Improvement has been slow but progressive; until last period our MAA had continued to improve on Metro and Mainline services, however we have had a very disappointing Period 6 driven by three very poor days.

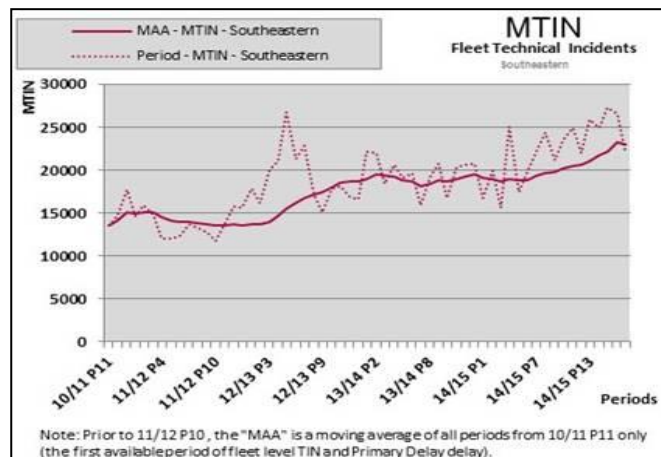
Nevertheless, our PPM MAA remains 1.1% better year on year, our Cancellations and Significant Lateness MAA is 0.6% better year on year and our Right Time MAA has improved considerably at 2.3% better than last year.



Performance on the Hastings Line has improved markedly after the difficult Winter in 2013/14 and has further benefited from the changes we brought in as part of our January 2015 timetable changes.

Fleet performance has remained strong, despite the high demand on fleet availability to deliver the new timetable. We are pleased to see that our fleet initiatives are delivering positive results.

As shown in the Miles per Technical Incident (MTIN) graph, we have delivered sustained improvement over the last 3 years and over the summer we delivered our best ever Networker performance.



With Autumn upon us, focus is on ensuring all areas are prepared and that Network Rail are managing vegetation clearance in line with expectations.

To further drive improvements, we will be focusing on delivering operational excellence through non-technical skills training courses for Drivers, continued focus on fleet delivery, resolving small minute issues to reduce underlying performance drag and studying customer behaviour on lines of route to determine solutions to specific boarding and alighting issues.

We have worked with Network Rail to develop our Joint Performance Improvement Plan and we have also agreed an 11 Point Plan for immediate focus;

1. Improve service recovery decision making to reflect majority of passenger needs.
2. Additional drivers at Cannon Street to aid service recovery.
3. Focus on right time starts from 1400 to improve evening peak performance.
4. Review of the Driver / Fleet Engineer 'Phone a Friend' process.
5. Improve Signal reliability
6. Improve Track Circuit reliability
7. Review the Cannon Street timetable plan to improve robustness.
8. Work with GTR to improve train performance via Catford Loop and Herne Hill
9. Work with Samaritans and BTP to prevent trespass and fatalities.
10. Focus on 'Right Time railway' – adopting SWT best practice.
11. Using visualisation to turn data into action.

5. Train company keeps passengers informed about delays

We are committed to improving passenger information during disruption. We have set up a specific area on our website which shows our plans and progress, which can be found at www.southeasternrailway.co.uk/about-us/about-southeastern/transparency/.

As part of our Autumn and Winter preparedness, we have briefed our frontline teams on the importance of information provision. We have now completed our tablet roll-out programme, with 1,510 tablets procured and issued to frontline staff allowing them to access information about train services quickly and convey this to passengers.



In July, we completed a redesigned process for Passenger Information System uploads to improve information on trains and we are exploring avenues to provide real time on-board passenger information. We are investing in disruption management training for all operational staff and passenger service training; we have appointed a training programme manager and we will be launching a pilot in October.

We have now completed delivery of enhanced Customer Information Systems at stations, not only ahead of schedule but over and above our franchise commitment, with an additional 19 locations.

6 Improvements to train and station environment

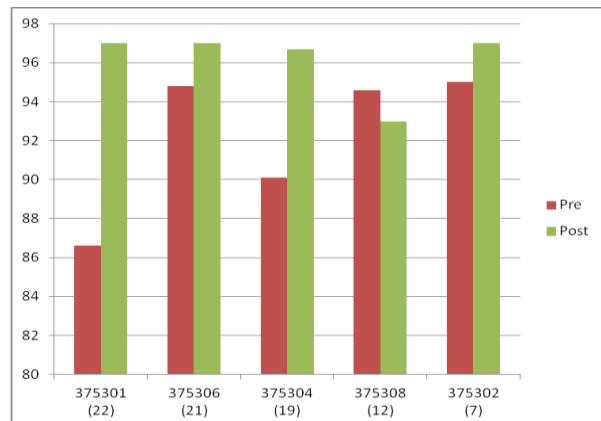
We will be investing at least £5.7million in trains and stations by 31 October 2016 delivering an enhancement to the travelling environment for our passengers. We have completed our station deep clean programme and delivered station improvement works at a third of our stations.

We have installed 31 new Ticket Vending Machines across our network, replacing unreliable and outdated Pertis machines, and we will install a further 32 by October 2016. We have also installed the latest version of the supplier's software on the new TVMs which includes enhanced information on London terminals, which we know is important for passengers.

Over and above our committed obligations, one third of our entire train fleet is undergoing a major mid-life refresh to make carriages lighter, brighter and more comfortable for passengers.

Work on the Electrostars has included a complete re-spray of the outside of the carriage and a repaint internally, new carpets and lino, replacement windows where required and seats have been dry-cleaned and given new bases.

Five of these units have re-entered service and we are already seeing positive results in our service quality audits, as shown in the chart above. The one decrease shown in the chart relates to toilets being locked out of use at the time of the audit.



Service Quality audit results before & after mid-life refresh

Friars Bridge Court 41-45 Blackfriars Road London SE1 8PG
southeasternrailway.co.uk

Work continues on our project to relocate heating thermostats onboard, as a direct result of passenger feedback, to improve temperature regulation and our drivers are informed that heating should be switched off onboard during the peak on Class 465 units.

We have significantly increased cycle parking capacity at Ashford and we are currently upgrading cycle parking at Sevenoaks, in recognition of the demand for these facilities. Southeastern has also been successful in securing third party funding to create a £700k Cycle Hub at Gravesend station incorporating secure cycle storage and a repair shop, linking with Gravesend's cycle routes and CycloPark. This project is due to be completed by April 2016.

We recognise that there is also demand for additional car parking at a number of our stations where car parks are full and we have submitted a proposal for SCPF funding from the DfT to address this. We are keen to start work on these schemes as soon as possible given the construction timescales and the limited time available before our franchise ends.

7 Further passenger benefits

We recently published our revised Passenger Charter which includes information on a number of passenger improvements, including compensation paid in cash on request, the removal of some administration fees and information on new passenger benefits such as Priority Seating.

This year, the independent UK Customer Satisfaction Index (UKCSI) by the Institute of Customer Services rated Southeastern as the second most improved company nationally. The Institute of Customer Services said of us: "The second biggest improver, Southeastern, has also raised customer satisfaction most in key behavioural measures such as helpfulness, friendliness and competence of staff, as well as speed of service."



To build on this, we will be deploying mystery shoppers to 48 stations across our network this month to assess customer service, with particular attention to staff interaction, facilities and services at the station and disruption handling. We will use the feedback from the mystery shoppers for training purposes to drive improvements in customer satisfaction.

Whilst we are seeing the positive impact of our actions on feedback from passengers, stakeholders and in customer satisfaction surveys, we know that the key concern for our passengers remains the issue of overcrowding and we therefore continue to work closely with the DfT to implement a solution. We value your continued support in working together for the benefit of passengers and we would welcome the opportunity to meet with you to discuss Southeastern developments in more detail.

Yours sincerely

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