

WEST COAST RAIL 250 CAMPAIGN

Response to InterCity West Coast Franchise Draft Invitation to Tender, 19th May 2011

Introduction

1) West Coast Rail 250 is a non-party political organization representing over 40 local authorities and ITAs along the WCML, which has long-established and excellent working relationships with Network Rail, the relevant Train Operating Companies, and the Department for Transport, and:

“campaigns for improved and environmentally sustainable rail services along the West Coast Main Line to support the economic development and social cohesion of communities along the WCML rail corridor”

2) These aims are supported by the following key objectives:

1. Increased capacity for passenger and freight services
2. Faster and more frequent long distance services
3. Improved links between local and regional centres and cross-border services
4. Improved facilities for passengers including access to local bus services

3) WCR 250 responded to the first consultation in April 2011 and this response includes our earlier points along with new issues that have arisen since then.

We welcome the Secretary of State's announcement on 19th May to re-consult on a revised draft ITT and to delay the start of the new ICWC franchise until 9th December 2012. The reasons he gave are consistent with the views we expressed as a Campaign in summer 2010 and address concerns about major changes just ahead of the Olympics and the need to take a more measured view of the McNulty recommendations.

4) WCR 250 endorses the DfT's objectives for the franchise set out in paragraph 1.3 on page 6 of the draft ITT.

5) Issues of Concern to WCR 250

Individual members of WCR 250 have submitted detailed comments, and our focus will therefore be on wider issues of principle common to the line.

a) Managing Capacity

We are concerned about how bidders will meet the growing demand during the term of the ICWC franchise to 2026. Sections of the line are already 'full up' at certain peak times and the line could be at full capacity within 6 years according to Network Rail.

We believe bidders should be required to examine the requirement for capacity improvement measures and to describe how they would tackle this problem during the term of the franchise.

Our members are concerned that bidders focus on the pattern of stopping services. We note that the DfT has now published an ICWC Franchise Train Service Requirement which specifies first and last trains to and from Euston in respect of seven stations. We welcome this approach but wish to see it applied to all 39 stations.

We note that the base specification is below the current levels of service and we will be seeking clarification from the four bidders as to the basis of their proposed service levels. For example, what level of service enhancements are proposed including new connections as well as frequency improvements?

We regard it as important that all bidders take on board the WCML RUS recommendations, for example linkages with proposed North West electrification plans. In addition, Milton Keynes is the largest city on the WCML outside the main conurbations, yet has very poor links to the northwest and Scotland and no morning peak hour service from Birmingham. Here and elsewhere along the route the RUS has highlighted gaps in service provision and proposed options to fill them. Bidders should be directed to the RUS as an agreed industry strategy for the WCML and asked to co-operate in its implementation

b) Local and Regional Services

The core train service requirement set out by the DfT is very much London-centric, based on levels of service between London Euston and individual stations along the WCML. It is very much a London view of the purpose of the ICWC franchise. However, ICWC long distance services to and from the capital also provide essential regional and local links between towns and cities on the northern half of the line, which this form of specification does not recognise.

For example, Warrington with a population of 200,000 relies on ICWC to provide its local services to Wigan, Preston and other northwest towns as well as for its long-distance services to London and Central Scotland. Crewe, Preston and Carlisle are major interchange hubs for connecting rail services with wide catchment areas.

Similar issues apply to North Wales coastal services. In the West Midlands we are aware of the important role of ICWC services in providing local rail connections to and from Coventry, Birmingham International and Sandwell and Dudley.

Because ICWC services are so important to the local and regional economies along the route, we would propose that local minimum service levels be specified to protect services used by local passengers dependent on ICWC services for local journeys, delivered or commissioned by the ICWC franchisee. Such minimum service levels to be delivered after full consultations with relevant ITA's and local transport authorities.

c) Use of E-technology in promoting information, travel and ticket sales

We are concerned that bidders should be promoting information and sales using all new and developing technologies, whilst not forgetting that there will always be a need for face-to-face counter services for advice and ticket sales and printed publicity materials. We also see a need for improved on-board information, notably regarding connections in the event of late running.

d) Investment Priorities

We are concerned that the new franchise should incentivise investment throughout the period. This investment may need to be supported by mechanisms to ensure co-operation from Network Rail and to recognise that some works will earn their full return over a longer period than even the extended franchise. West Coast 250 recognises that the DfT is considering a mechanism to recognise and compensate bidders for the residual value of investments which have a payback period extending beyond the duration of the franchise, but also notes that certain types of investment, for example in new or additional rolling stock or in electrification schemes, can be expected to lead to increased revenue over the lifetime of the asset. It is fundamental that a method be devised to evaluate investment over asset life, factoring in estimated revenue streams, to ensure that investment generated from bidders is maximised over the franchise period.

To this end we wish the DfT to recognise that not only new capital investment but also any future revenue growth derived from this capital investment is properly factored into residual value calculations. We hope that the DfT will also consider

joint venture or special purpose vehicle arrangements. We hope that the DfT will be transparent in how it assesses and evaluates the respective bids.

We expect the successful bidder to actively champion opportunities for further electrification and resignalling in the interests of developing the business, whilst recognising that issues of 'residual value' will need to be successfully addressed by the DfT in awarding the future franchise.

As keen supporters of a new HS2 we are keen to see how bidders' proposals will complement and develop new High Speed Line 2. We wish to see benefits to the existing WCML starting from day 1 of the initial London/Birmingham high speed line. We wish to see how bidders will develop the market ahead of HS2.

We would also remind the DfT and franchise bidders that the Commonwealth Games of 2014 will be held in Glasgow and will be of national and international significance. Appropriate recognition should be made in the franchise.

The franchisee will have to manage services during the redevelopment of Birmingham New Street station, and potentially during major signalling renewals between Crewe and Liverpool, and between Crewe and Glasgow. It is important that the opportunity is taken during these signalling renewals to provide adequate capacity for sensible future development of passenger and freight services, including further electrification not just for those services in operation or for which funding is committed when the renewals take place. Otherwise there is a real risk that the northern half of the WCML will be 'locked into the 1970s' for another 30-40 years, with retention of the restrictive track and signalling layouts and inadequate, poorly located freight loops installed at that time.

We also expect the franchisee to minimise the use of buses during track works along the line and would hope that the DfT will reinforce this view in the eventual franchise.

e) Better Stations

InterCity West Coast services have seen dramatic improvements in recent years, through significant investment in rail infrastructure and rolling stock. However, rail stations have been something of a poor relation with few of the stations seeing the kind of investment needed to make them fit for modern requirements. Stations represent the 'shop front' for the railway, so improvements are therefore important to improve passengers' overall perception of their journey experience.

We expect bidders to address how they will improve issues such as: Investing in Staff Training; Safety and Security; Passenger Facilities and Information; Accessibility; Car Parking; and Cycling Provision.

With regard to the future management of stations we welcome the proposal for the successful bidder to assume full repair responsibilities for the 17 stations for which it will be SFO under a 99 year lease from NWR. However we shall expect a clear vision from the bidders (including timetables, milestones etc) as to how they will exploit the opportunities from being granted such a long-term lease, as is rightly indicated on page 37 of the draft ITT. We would also remind the DfT and bidders that these proposals should be evaluated as a package over the lifetime of the franchise, and not just on a simple bottom line 'lowest maintenance cost' approach.

We believe there is still a need for DDA compliance to be achieved at some of the stations and this should be an early objective.

We believe there is a need for greater co-operation between the ICWC franchisee and other TOCs in delivering station improvements and we would expect the successful bidder to have identified opportunities for enhanced partnership working.

f) Partnership Working with Local Authorities and others

We would expect the franchisee to collaborate closely with local transport authorities, ITAs and other appropriate bodies in pursuing development and investment opportunities, especially in and around stations.

We would hope that the DfT will stipulate that they will expect bidders and the eventual franchisee to work closely with local authorities to achieve better co-ordination with local public transport, cycling and walking and in delivering LTP aspirations, and in developing/ improving multi-modal interchanges.

We also believe that local authorities should have an enhanced role in monitoring TOC performance in the delivery of key franchise outputs such as station improvements.

g) Carbon/Environmental Agenda

We will expect bidders to come forward with ideas to reduce the carbon footprint of services, including innovative thinking on trains, stations, depots, retail / catering activities and modes of transport used by passengers to access stations.

What thought have bidders given to moving away from operating long-distance diesel services where electrification is available for all or part of the journey?

h) Catering

We are surprised, and disappointed, that the document contains only one sentence about catering. We would welcome the retention of enhanced buffet

and restaurant catering services and believe that particularly standard class passengers deserve a better and wider catering offer. We would hope that the DfT shares our aspirations and accordingly strengthens the final ITT.

6) A Proven Record of Delivery

The WCML is one of the busiest mixed passenger and freight railway lines in the world and crucial to the economy of the regions and communities served by it. This new franchise must not be seen as a laboratory test which was why we expressed concerns last summer about an early re-franchising of ICWC when so much uncertainty surrounds the new franchising regime, the future structure and operations of NWR, and the outcome of the McNulty Review. Too much is at stake.

We therefore urge the DfT to ensure that, in their evaluation of the bids, due recognition is accorded to the track record and ability of the bidders to deliver improvements in what will be a very challenging environment. Promises are easy, but the ability to deliver is altogether different.

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