

Secretariat memorandum

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Agenda item 5
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Rail franchise update

1 Purpose of report

1.1 To inform members of current developments in rail franchising

2 Information

2.1 Franchises awaiting award

2.1.1 The Greater Anglia franchise has been tendered and the result for this should be announced in late June/early July 2016. It is expected that quality will have a greater value in the assessment process. There were three bidders: Abellio, National Express and First Group. The current operator is Abellio, and the new franchise will commence in October 2016.

2.2 Franchises advertised but awaiting an Invitation to Tender (ITT)

2.2.1 The ITT for Inter City West Coast is currently being designed and the franchise is subject to consultation. London TravelWatch will be hosting a seminar on behalf of DfT for stakeholders in the London area on 5 July 2016. The new franchise would commence in 2018. No short listed bidders have been announced as yet. London TravelWatch has provided input to the franchise specification. A public consultation is currently underway.

2.2.2 The ITT for West Midlands is currently being designed with an expectation that the new franchise will start in October 2017. There are three shortlisted bidders (Govia, MTR corporation and a consortium of Abellio and Japan Railway East). London TravelWatch has provided input to the franchise specification. A short term direct award franchise has been awarded to the current London Midland (Govia) operation.

2.2.3 The ITT for the South Western franchise is currently being designed with an expectation that the new franchise will start in mid 2017. There are two shortlisted bidders (Stagecoach and a consortium of First group and MTR corporation). London TravelWatch has provided input to the franchise consultation. The franchise consultation included reference to a separate business unit being developed to enable a TfL controlled concession arrangement to take on the operation of suburban services part way through the

operation of this franchise. This would enable co-ordination with any plans for Crossrail 2.

2.3 Subsequent franchise competitions

- 2.3.1 Southeastern is currently being operated under a direct award franchise to mid 2018. Previously there has been a thought that Metro services would be separated out from other services in the franchise to become a TfL concession. Recent literature and discussion appears to 'row back' from this commitment, describing it as subject to further discussions. Remapping of certain parts of this franchise to take account of the change in service patterns made possible in 2018 by the completion of the Thameslink programme also need to be taken into account. This should allow a 'cleaner' transfer of services to a TfL concession than otherwise might have been the case, if agreement could be reached on a transfer to TfL of the Metro services. However, it is of concern that there is now doubt as to whether a transfer to a TfL concession is going to be possible.
- 2.3.2 East Midlands Trains has recently concluded a direct award arrangement with the DfT. This expires in late 2018. Most of this franchise involves services outside of the London TravelWatch area. However, it does provide the fastest service between St.Pancras International and Luton Airport Parkway. London TravelWatch has an aspiration to increase the number of calls at Luton Airport Parkway.
- 2.3.3 Great Western will be retendered to start a new franchise in mid 2019. By this point most of the local services within the London TravelWatch area will have been incorporated into the Elizabeth Line TfL concession operated by MTR Crossrail. However, there will still be residual local services to Greenford and Windsor & Eton Central within London TravelWatch's remit as well as longer distance services and the possibility of a re-opened Southall to Brentford Great West Quarter branch line.
- 2.3.4 In late 2019 the Cross Country franchise expires. This has a number of trains serving Stansted Airport in the London TravelWatch area from Birmingham and Cambridge.
- 2.3.5 From 2019 there is a gap in the franchising programme until the Thameslink Southern Great Northern (TSGN) franchise is retendered, followed by the Chiltern franchise and a possible Oxford / Aylesbury – Milton Keynes / Bedford franchise to run the reinstated East West Railway.

2.4 Performance of current franchises

- 2.4.1 Members will be aware of the current levels of poor performance on the TSGN franchise. The cause of this is attributable to a) upgrade work associated with the Thameslink programme and b) industrial action by trade unions in response to changes in working practices. In the case of upgrade work the programme will last until late 2018. Both these causes of disruption are mandated by the DfT either through the franchise or the requirements placed on Network Rail. It is difficult to see, therefore what alternative structure or course of action might be put in place that would rectify this or minimise the impact on passengers in the short term.

3 Equalities and inclusion implications

3.1 There are no equalities or inclusion implications arising from this report

4 Legal powers

4.1 Section 252B of the Greater London Authority Act 1999 Act requires London TravelWatch (as the London Transport Users Committee) to consider, and where it appears to it to be desirable, to make recommendations with respect to any service or facility provided by or for users or potential users of railway services provided wholly or partly within the “London railway area” as defined under the provisions of the Railways Act 1993.

5 Financial implications

5.1 There are no financial implications for London TravelWatch arising from this report.

6 Recommendation

6.1 That members note the report and concerns in relation to:-

- devolution of responsibility for parts of the Southeastern and South Western franchises
- the poor performance of the TSGN franchise and its’ impact on passengers.