

InterCity East Coast Franchise Consultation

June 2012

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1. Foreword

- 1.1 The InterCity East Coast (ICEC) franchise provides frequent long-distance rail services on the East Coast Main Line, running between London King's Cross and Leeds, York, Newcastle and Edinburgh. Some services also operate to/from Lincoln, Hull, Bradford, Skipton, Harrogate, Glasgow, Aberdeen and Inverness. Electric and diesel trains are used, running at speeds up to 125 mph (200 km/h). The services meet demand for business travel, particularly between Newcastle, Leeds and London, leisure travel to a variety of destinations and commuter journeys, primarily between Newark, Grantham, Peterborough and London.
- 1.2 National Express East Coast, a subsidiary of National Express Group, operated the ICEC franchise from 9 December 2007 and the franchise was scheduled to run until 31 March 2015. However, poor trading conditions resulted in the franchise being terminated on 13 November 2009. Operation of ICEC services was taken over by a Department for Transport subsidiary company, East Coast Main Line Company Limited (ECML Co Ltd), and this arrangement will continue until the franchise is re-let.
- 1.3 ECML Co Ltd introduced a new timetable in May 2011, providing faster, higher frequency and more regular pattern of consistent 'clockface' services. It is likely that this timetable will continue, with only minor changes, until December 2013 when it will form the starting point for the new franchise. There will be significant opportunities for the franchisee to introduce service improvements in subsequent timetables, using the flexibility provided in the franchise specification and exploiting infrastructure enhancements that are being delivered by Network Rail in Control Period 4 (2009–14).
- 1.4 The Department for Transport is procuring new trains through the InterCity Express Programme (IEP). Introduction of IEP trains on the East Coast Main Line is expected to be completed by 2019 and will enable the franchisee to deliver a major service upgrade to exploit the performance and capacity characteristics of the new trains.
- 1.5 We propose to mandate the introduction of smart ticketing technology so that smart tickets can be issued and read throughout the operating area of the franchise.
- 1.6 Bidders will be expected to reflect the franchise objectives in their proposals (set out in section 5 of this document), including a consideration of improvements to:
 - punctuality and reliability;
 - passenger information at all points of the journey, particularly during periods of disruption;
 - station facilities;
 - access to the network, including car and bicycle parking facilities;
 - catering and other on-board services; and
 - environmental impact.

2. Purpose and policy

- 2.1 The new ICEC franchise is due to commence in December 2013. This consultation document has been produced by the Department for Transport to seek views from stakeholders on the minimum requirements the Government should set in the franchise specification. Its purpose is to:
- inform stakeholders of the expected process and timescale for awarding the ICEC franchise;
 - provide stakeholders with background information about the current ICEC services and the strategic planning and transport context of the new franchise;
 - advise stakeholders and potential funders of the likely objectives and expectations for the franchise;
 - give stakeholders an opportunity to comment on the requirements that might be included in the DfT's base case specification and the options that might be considered;
 - invite potential funders to formally notify the Department for Transport of any increments or decrements they may wish to purchase.
- 2.2 The closing date for consultation responses is **18 September 2012**. The Department will publish a report following the end of the consultation period which will summarise stakeholders' views. This will form a key reference document for the franchise bidders.
- 2.3 Stakeholders were consulted in 2010 on replacing the ICEC franchise. There have been substantial reforms to rail passenger franchising policy since then, and so the Department considers it appropriate to carry out this additional consultation exercise.
- 2.4 We have considered whether the matters being consulted on are likely to have any impact (adverse or differential) on race, disability or gender equality. It is not anticipated that any such impacts will occur. However, the Department takes its equalities duties very seriously and would welcome respondents' views on any issues that may affect equality of opportunity in these areas.

Franchising policy

- 2.5 In March 2012 the Government published a Command Paper - *Reforming our Railways: Putting the Customer First*, which set out the Government's ambitions for Britain's railways.
- 2.6 The Command Paper stated that future franchises would generally be longer, giving operators more responsibility and greater flexibility with regard to the services they provide, as well as better incentives to invest. The overall approach will be to treat operators as mature companies with a commercial interest in delivering a good service for their passengers.
- 2.7 The Command Paper also recognised that different approaches will be needed for different circumstances and different parts of the rail network. In general, specifications will be more flexible (particularly for long distance services) allowing franchisees to use their knowledge of passengers' needs to develop service patterns. This freedom will be exercised within a framework set by the Government, taking into account the specific circumstances of the franchise, and will work in conjunction with licence obligations. This framework will be designed to protect the interests of passengers, taxpayers and the economy.
- 2.8 Sir Roy McNulty's recent report *Realising the Potential of GB Rail – Report of the Rail Value for Money Study* estimated the potential size of the savings available from greater efficiency and made recommendations about how they might be achieved. Priorities for the Government include closer working between those responsible for track and train, including formal alliancing, to drive down costs, and improving the quality of services experienced by passengers. Commitments to closer partnership working with Network Rail to promote efficiency and reduce costs, and commitments to improve service quality will be sought through the franchising process.
- 2.9 The Government believes transparency can assist consumers in holding to account the organisations that deliver public services. We are working towards greater transparency in the rail industry, both in relation to the public money spent to support the railway and the outcomes that are delivered. For example, the Department believes that greater disaggregation of performance data will encourage TOCs to achieve a higher level of consistency across the different types of service they operate.
- 2.10 The Department is also carrying out a separate consultation on the future of fares and ticketing, which is due to finish on 28 June. Smart ticketing technology offers new opportunities for passengers to purchase tickets more easily and for train operators to understand and make better provision for the journeys that passengers make.

Wider rail and transport policy

2.11 This consultation document should be considered within the context of the broader transport policy environment, and consultees should be aware of a number of other relevant studies, documents and consultations that have a bearing on the franchise. These include:

- The Department for Transport's Command Paper *Reforming our Railways: Putting the Customer First* published in March 2012;
- The Department for Transport's *Rail Fares and Ticketing Review* consultation document published in March 2012;
- The Department for Transport's *Rail Decentralisation* consultation document published in March 2012;
- The ORR's PR13 Periodic Review of Network Rail's funding;
- A joint consultation by the Department for Transport and the Office of Rail Regulation on *A greater role for ORR regulating passenger franchises in England & Wales* published in December 2011;
- Network Rail's *Strategic Business Plan* published in October 2007 and subsequent updates published in April 2008, alongside Network Rail's *CP4 Delivery Plan 2009* updated in February 2011 and *CP5 Initial Industry Plan*, published in September 2011;
- Network Rail's *East Coast Main Line Route Utilisation Strategy* published in February 2008 and *East Coast Main Line 2016 Capacity Review* published in December 2010;
- Network Rail's *Northern Route Utilisation Strategy* published in May 2011 and *London & South East Route Utilisation Strategy* published in July 2011;
- Sir Roy McNulty's independent report *Realising the Potential of GB Rail – Report of the Rail Value for Money Study*, published in May 2011;
- The Department for Transport's policy statement on *Reforming Rail Franchising*, published in January 2011;
- The Department for Transport's White Paper *Creating Growth, Cutting Carbon: Making Sustainable Local Transport Happen* published in January 2011;
- The Department for Transport's policy paper *Strategic Rail Freight Network: The Longer Term Vision* published in the Britain's Transport Infrastructure series in September 2009;
- The Department for Transport's *Towards a Sustainable Transport System – Supporting Economic Growth in a Low Carbon World* published in October 2007;
- Network Rail's *Freight Route Utilisation Strategy* published in March 2007; and
- Transport for London's *Transport 2025: Transport Challenges for a Growing City* document and *A Rail Strategy for London's Future 2025* document published in November 2006.

3. Process and timescales

- 3.1 The Department is compiling the specification for the InterCity East Coast Franchise, which will be informed by responses to this consultation document. Expected timescales for the refranchising process are set out below.

Stage	Stage dates
Stakeholder consultation period	June – September 2012
Specification finalised	October – December 2012
Prequalification and bilateral discussions with bidders	October – December 2012
Tenders invited; bids prepared and submitted	January – April 2013
Bids evaluated, negotiated, approved and franchise awarded	April – August 2013
Franchise start	December 2013

- 3.2 The Department places great importance on protecting the interests of passengers. Passenger Focus has a vital role within the specification process. They will provide the Secretary of State with advice on key issues for passengers that the new franchise should seek to address. We are grateful to Passenger Focus for their input, and discussions with them will continue as the specification develops.
- 3.3 The Department's initial view of the franchise specification is described in Section 9 of this document. The final specification will take into account comments received from consultees, as well as considerations around value for money, affordability, deliverability, robustness, and operational issues. The final specification will be issued in the Invitation to Tender (ITT) in January 2013. The specification may also be modified to reflect other emerging issues or considerations.
- 3.4 Prior to finalising the specification, it will be necessary to determine which increments and/or decrements potential funders wish to include in the franchise. Where such proposals satisfy the Department's published criteria, we will consider including them in the base specification or as priced options. The deadline for the submission of any proposed increments or decrements is the close of the consultation period (18 September 2012).
- 3.5 The ITT will include the final specification and forms the basis upon which bidders must submit their tenders. It will reflect the base requirements that the DfT wishes to procure from the market and options that it may wish to exercise, depending on the proposed cost. It will also set out the criteria against which the bids will be evaluated.

4. The InterCity East Coast franchise

The current franchise

- 4.1 The East Coast franchise operates passenger services between London King's Cross, Peterborough, Doncaster, Leeds, York, Newcastle and Edinburgh, with some services operating to/from Aberdeen, Inverness, Glasgow, Bradford, Skipton, Harrogate, Hull and Lincoln. Passenger profiles include:
- commuters to London and main intermediate stations;
 - business travel, primarily between Edinburgh, Newcastle, York, Leeds, Doncaster and London King's Cross; and
 - leisure travel to a range of destinations.
- 4.2 Since November 2009, East Coast services have been operated by East Coast Main Line Company Ltd., a subsidiary of Directly Operated Railways Ltd. which is wholly owned by the DfT.
- 4.3 Each weekday East Coast operates 155 train services, with 102 on Saturdays and 98 on Sundays. Each year the franchise carries over 18 million passenger journeys (over 2.8 billion passenger miles).
- 4.4 The franchise experiences competition on certain passenger flows from Open Access operators (Hull Trains and Grand Central). It shares its route with several franchised operators, including First Capital Connect in the south, and CrossCountry in the north, and experiences some price competition with those operators offering dedicated, non-inter-available fares. East Coast competes with the West Coast franchise on some Anglo-Scottish flows, where it also experiences airline competition. There is a significant amount of freight traffic on most sections of the ECML.
- 4.5 Passenger revenue is greatest on long-distance journeys between Edinburgh, Newcastle, Leeds and London King's Cross. The greatest passenger volumes are on commuter flows between Peterborough and London King's Cross. Revenue and volume have continued to grow even during the economic downturn, though the rate of growth has been suppressed. Revenue exceeds the operating costs of the franchise by a significant margin, and the franchise pays a premium to DfT, though infrastructure costs are largely funded by the DfT through a separate grant paid directly to Network Rail.

Train services

- 4.6 The East Coast Main Line timetable was redesigned in May 2011 to provide additional capacity and to allow acceleration of some longer distance services. An additional hourly off peak service was implemented on weekdays, running in alternate hours to York and Newark, and serving Stevenage, Peterborough, Grantham, Newark and Retford. Other than the service extensions and peak additional Hull and Lincoln services, there is no significant difference between the peak and off-peak service pattern.

4.7 The service frequencies are summarised in table 4.1 below:

Table 4.1 Train service frequency (trains per hour to/from London)			
Route	Weekdays	Saturdays	Sundays
Leeds	2	1	1 or 2
Newcastle/Edinburgh	2	2	2
York/Newark	1 (off peak)	0	0
Hull /Lincoln	1 (peak hour only)	1	1 (northbound only)

4.8 Growth in passenger journeys has averaged 4.9% per annum on a compound basis over the last ten years. Most years have seen higher growth than this, however there was relatively low growth between 2008 and 2010.

4.9 Crowding is not currently a major issue on this franchise for peak services to London compared with other long distance franchises; however a small number of services now regularly have some passengers standing.

4.10 The busiest passenger flows on the franchise are shown in table 4.2 below:

Table 4.2 Annual journeys		
Between	And	Annual Journeys (x1000)
King's Cross	Peterborough	1,850
King's Cross	Leeds	1,820
King's Cross	York	1,131
King's Cross	Newcastle	1,095
King's Cross	Edinburgh	947
Leeds	Wakefield	743
Doncaster	Leeds	710
King's Cross	Newark	563
King's Cross	Doncaster	516
King's Cross	Grantham	472
King's Cross	Darlington	443
Edinburgh	Newcastle	408
King's Cross	Stevenage	402
King's Cross	Wakefield	372
Durham	Newcastle	320
King's Cross	Durham	281
Newcastle	York	235
Darlington	Newcastle	219
Doncaster	Wakefield	178

Doncaster	York	170
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- 4.11 In the off peak, a significant proportion of passengers on East Coast book tickets in advance. Walk up tickets are also available, many of which are subject to pricing regulation. A number of off-peak services carry more passengers than there are seats, particularly in the leisure peaks of Friday and Sunday afternoons and evenings, and when there are large passenger flows for sporting and other special events.

Infrastructure

- 4.12 The main routes to Leeds and Edinburgh, as well as the extensions to Glasgow, Bradford and Skipton are all equipped with 25kv overhead line electrification (OLE). Most of the route south of Grantham and between York and Northallerton has four tracks, making it easier to plan a high-frequency timetable including slower passenger and freight traffic as well as long distance high speed services. The rest of the route is double track. There are diversionary options, including the Hertford Loop between Alexandra Palace and Stevenage, and the route between Peterborough and Doncaster via Lincoln (which is not electrified).
- 4.13 There are a number of capacity constraints in the route, some of which are being addressed by Network Rail through a programme of infrastructure enhancement schemes. A number of important pinch points will remain however, including the short two track section between Welwyn Garden City and Woolmer Green junction and several 'at grade' junctions, which are a significant constraint on future timetable development.

Stations

- 4.14 The franchise acts as the Station Facility Owner (SFO) at 12 stations:

Berwick upon Tweed; Darlington; Doncaster; Dunbar; Durham; Grantham; Newark Northgate; Newcastle upon Tyne; Peterborough; Retford; Wakefield Westgate; York;

and also serves 40 other stations:

Aberdeen; Alnmouth; Arbroath; Aviemore; Blair Atholl; Bradford Forster Square; Brough; Carrbridge; Dunblane; Dundee; Dunkeld; Edinburgh; Falkirk; Grahamstown; Glasgow Central; Gleneagles; Harrogate; Haymarket; Horsforth; Hull; Inverkeithing; Inverness; Keighley; Kingussie; Kirkcaldy; Leeds; Leuchars; Lincoln; London King's Cross; Montrose; Morpeth; Motherwell; Newtonmore; Northallerton; Perth; Pitlochry; Selby; Shipley; Skipton; Stevenage; Stirling; Stonehaven.

Depots

- 4.15 The ICEC franchise is Depot Facility Owner at Bounds Green (London), Craightinny (Edinburgh), Clayhills (Aberdeen) and Ferme Park (London) depots and currently uses other depots located at Inverness, Polmadie (Glasgow), Heaton (Newcastle) and Neville Hill (Leeds).

Train crew depots are currently situated at Aberdeen, Doncaster, Edinburgh, Leeds, London King's Cross and Newcastle.

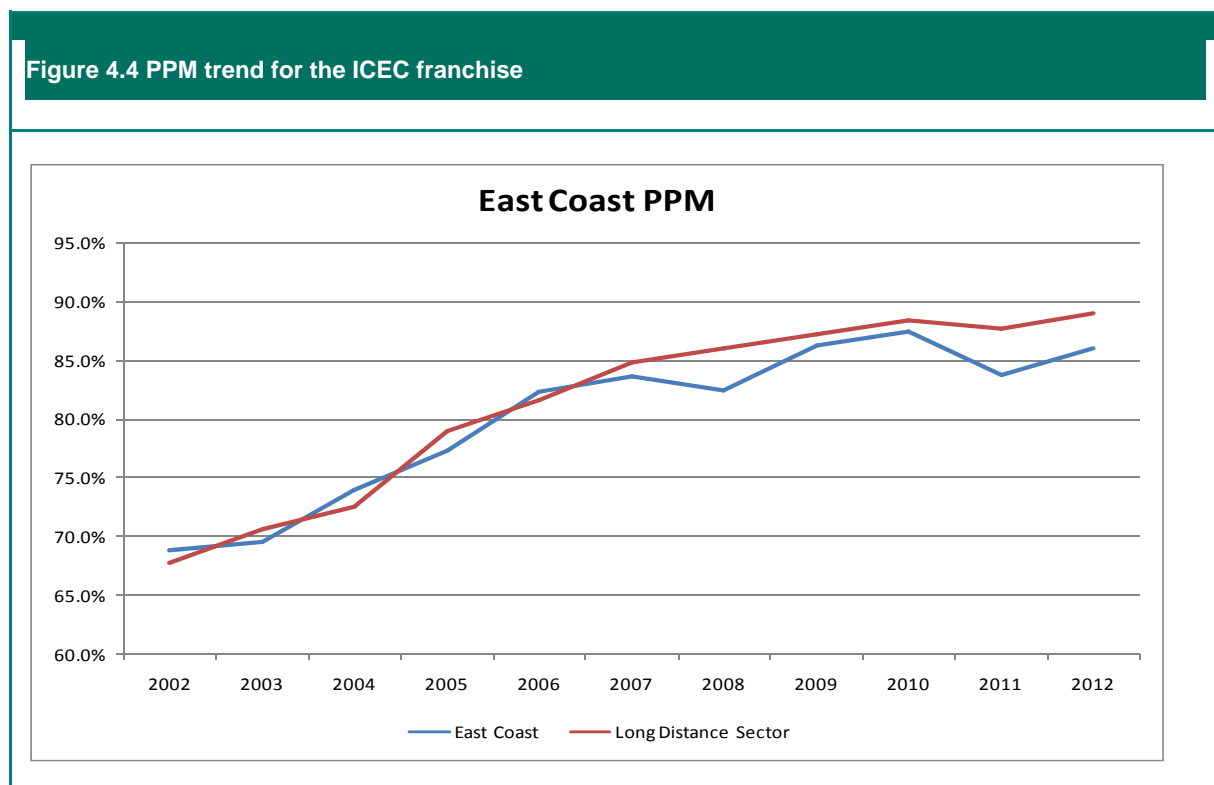
Rolling stock

4.16 As shown in Table 4.3, the ICEC franchise operates a mix of diesel 14 IC125 High Speed Trains (HSTs), and 30 electric IC225 Class 91 hauled Mark IV train sets.

Class of vehicle and configuration	Number of vehicles	Total seats per set	First Class seats per set	Standard Class seats per set
IC225 (electric) Loco + 9 coaches + driving van trailer	31 Class 91 loco 242 Mk IV coaches 30 service vehicles 31 driving van trailers	537	133	404
HST (diesel) 2 power cars + 9 coaches	32 power cars 115 Mk III coaches 16 service vehicles	541	112	429

Performance

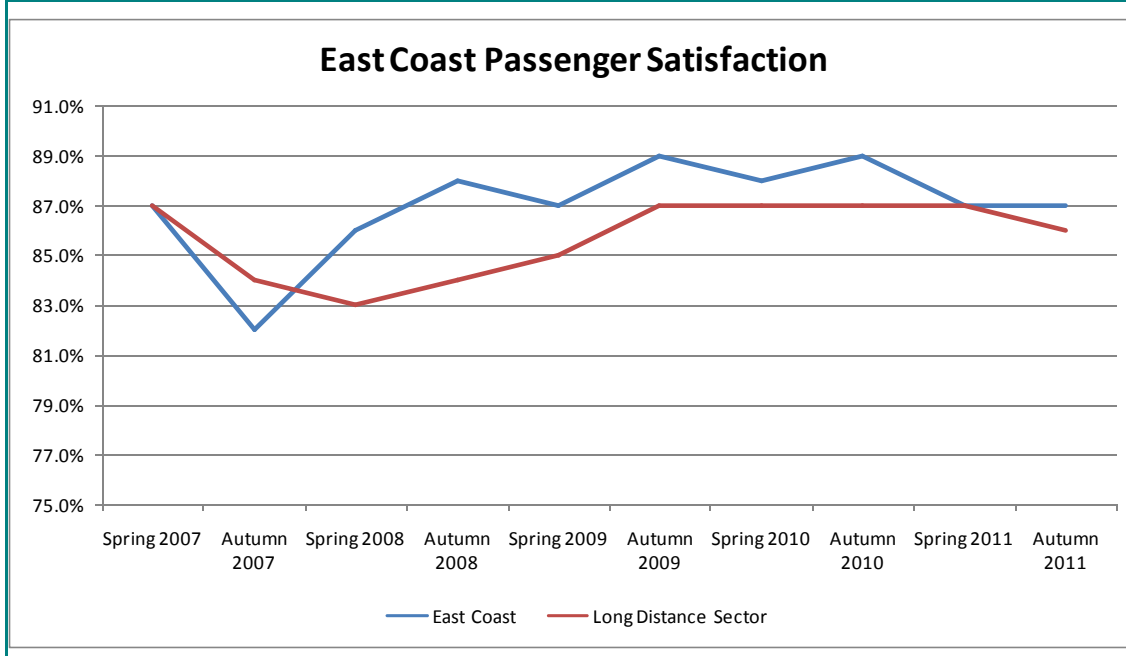
4.17 Figure 4.4 shows the change in the Public Performance Measure (PPM) for ICEC. This measures the percentage of trains arriving at their destination within 10 minutes of the planned arrival time. Although there has been a rising trend, performance falls short of the DfT's PPM target of 92% for long-distance journeys by 2014 and is below average for the long distance sector.



Service quality

4.18 In recent years, customer satisfaction as measured by the National Passenger Survey (NPS) has been broadly constant, as shown in Figure 4.5 below. Over several years the East Coast franchise maintained relatively high passenger satisfaction scores compared with the long distance sector average. Whilst the headline score has remained fairly consistent, there has recently been a dip in the score for passenger perceptions of punctuality and reliability of the train service, which has dropped to 78% in Autumn 2011 having reached 90% in Autumn 2009. Scores relating to train cleanliness and comfort have generally improved.

Figure 4.5 NPS trend for the ICEC franchise



5. Objectives for the franchise

5.1 The starting point for the development of the franchise specification is the establishment of clear objectives. The following objectives have been identified for the new ICEC franchise:

- Realise the commercial potential of long distance services on the East Coast Main Line, delivering passenger benefits and making an appropriate contribution to the overall financial position of the railways;
- Support economic growth through provision of train services of appropriate frequency, journey time and capacity. Use flexibility in the Train Service Requirement to optimise services, delivering a balance of commercial and passenger benefits in line with value for money and affordability criteria;
- Ensure the overall passenger experience improves throughout the life of the franchise, subject to value for money and affordability. This will include but not be limited to improvements in: service quality, provision of information to customers, accessibility (including for disabled people) and passenger security. The franchisee will also be expected improve transparency in relation to the franchise and to introduce smart technology and integrated ticketing throughout the operational area of the franchise;
- Ensure that train services perform to the highest practical reliability and punctuality standards;
- Deliver services in the most cost-effective and efficient manner possible, including, where appropriate, improving alignment and collaboration with relevant industry partners in order to reduce operating costs;
- Benchmark and optimise the overall environmental performance and minimise the carbon footprint for the franchise;
- Secure the successful introduction of InterCity Express Programme (IEP) trains, working collaboratively with the Department and other industry partners to ensure that the programme benefits are realised.

Q1. Do consultees agree that the proposed franchise objectives are an appropriate expression of the priorities that should apply to the new ICEC franchise?

6. Franchise length

- 6.1 The Department's current thinking in relation to franchise length was set out in the policy statement *Reforming Rail Franchising*, published in January 2011. The Government believes longer franchises will encourage private investment in areas such as station improvements, new and refurbished trains, and the provision of a higher quality of service. They will also encourage more effective working relationships between train operators, Network Rail and local partners.
- 6.2 The independent Rail Value for Money study conducted by Sir Roy McNulty assessed how the costs of running the railway can be reduced, while continuing to invest in capacity enhancement and improving passenger satisfaction. The study's findings supported the Department's move towards longer franchises to encourage investment.
- 6.3 The Department considers that a term of around 15 years would be the right length for many franchises. However, this issue needs to be considered on a case by case basis, enabling consideration to be given to various factors likely to have an impact on how long each individual franchise should be, such as completion of major infrastructure works.
- 6.4 Current plans for development of a High Speed Rail network indicate that a high speed line serving West Yorkshire is likely to open in 2032/33. This will have a major impact on the services provided by the ICEC franchise. Therefore it would be preferable to avoid a change of franchisee in the years immediately preceding the anticipated opening of the high speed line when it is likely that significant service restructuring and investment by the ICEC franchisee will be necessary.
- 6.5 The Department is therefore considering a length of 10 to 12 years for the new InterCity East Coast franchise. We anticipate that the contract could be designed to allow for an extension of up to two years at the Secretary of State's discretion. This could then be followed by a franchise that would operate until the start of HS2 train services to West Yorkshire and the North East of England.
- 6.6 The Franchise Agreement will include provisions that will allow the Department to manage the performance of the operator and, in a worst case scenario, to terminate the contract earlier if the franchisee fails to meet the Department's requirements.

Q2 Are there any other issues that consultees believe the Department should take into account in determining the length of the new ICEC franchise?

7. Franchise scope

- 7.1 The current ICEC franchise is focused entirely on long distance InterCity services between London King's Cross and Yorkshire, the North East and Scotland. The Department wishes to explore whether the franchise might benefit from serving a wider range of markets. This could result in the operator delivering better co-ordination of long distance and connecting local services, improving resilience to economic fluctuations, and creating greater opportunities for efficiency gains through alliancing between the ICEC franchisee and Network Rail.
- 7.2 This might be achieved by remapping of appropriate local and connecting services into the ICEC franchise and would be consistent with the profile of many other franchises, e.g. Great Western, Greater Anglia and East Midlands, which include long distance and local services.
- 7.3 The main benefits that might arise from transferring additional services to the ICEC franchise are:
- Integrated planning and operation of long distance and local services over a wide area, delivering improvements in service patterns, connections, performance management and passenger assistance;
 - Encouragement of new through service propositions;
 - Diversification of markets served by the ICEC franchise, improving resilience to economic fluctuations;
 - Better alignment between the ICEC franchisee and Network Rail's LNE Route, simplifying and encouraging alliancing proposals. Enlargement of the ICEC station portfolio, allowing more efficient management.
- 7.4 However, there are some potential risks, including:
- loss of management focus on particular markets, whether long-distance or local;
 - increased resource costs as a result of splitting current 'local' franchises;
 - loss of some current through journey opportunities;
 - potential inconsistency with emerging policy on devolution of responsibilities for local services;
 - the one-off cost of undertaking the remapping and the complexity it adds to the franchise procurement process.

Q3 What are consultees' views on the principle of the new ICEC franchise becoming a multi-purpose train operator along the route of the East Coast Main Line rather than focusing only on the InterCity services provided by the current operator?

- 7.5 To assist consultees, Table 7.1 shows a list of existing train services that are associated with the East Coast Main Line in England.

Table 7.1 A list of the train services associated with the East Coast Main Line

Service	Current operator
King's Cross – Peterborough	First Capital Connect
King's Cross – Cambridge – King's Lynn	First Capital Connect
Moorgate – Welwyn Garden City	First Capital Connect
Moorgate – Hertford North – Stevenage	First Capital Connect
Peterborough – Lincoln – Doncaster	East Midlands Trains
Nottingham – Grantham – Skegness	East Midlands Trains
Newark – Lincoln – Grimsby	East Midlands Trains
Nottingham – Lincoln	East Midlands Trains
Sheffield – Retford – Lincoln	Northern
Doncaster – Cleethorpes	First Keolis TransPennine Express
Cleethorpes – Barton-on-Humber	Northern
Sheffield – Doncaster – Scunthorpe	Northern
Sheffield – Doncaster – Hull	Northern
York – Hull	Northern
Hull – Scarborough	Northern
York – Scarborough	First Keolis TransPennine Express
York – Middlesbrough	First Keolis TransPennine Express
Bishop Auckland – Darlington – Saltburn	Northern
Nunthorpe – Middlesbrough – Newcastle	Northern
Middlesbrough – Whitby	Northern
Sunderland – Newcastle – Hexham – Carlisle	Northern
Newcastle – Morpeth – Chathill	Northern

Q4 Do consultees have any comments on which services might be considered for inclusion in the new ICEC franchise and how they might be specified?

8. Major schemes, stakeholder aspirations and other initiatives

ECML infrastructure enhancements

- 8.1 In advance of each of the Office of Rail Regulation's (ORR's) Periodic Reviews of Network Rail's outputs and funding, the Department sets out its requirements for the next five-year railway Control Period in the High Level Output Specification (HLOS) and Statement of Funds Available (SOFA). The HLOS specifies the outputs that the Government wishes the industry to deliver in areas such as reliability, safety and capacity. The first Control Period to use this process was CP4 which runs from April 2009 to March 2014. The process for CP5 has recently begun.
- 8.2 In response to the CP4 HLOS, Network Rail is undertaking enhancements to the capacity of the East Coast Main Line, for completion by April 2014, including:
- King's Cross station redevelopment (completed);
 - Upgrading of goods lines between Finsbury Park and Alexandra Palace;
 - Grade separated junction at Hitchin;
 - Additional platforms at Peterborough;
 - Upgrading of Peterborough – Lincoln – Doncaster route;
 - Remodelled junction layout at Shaftholme / Joan Croft, north of Doncaster; and
 - Remodelled track layout at Holgate Junction, south of York Station (completed).
- 8.3 Forecasts of future growth indicate that the route will need to accommodate additional services from 2019. To accommodate this, the rail industry has proposed that a series of further infrastructure enhancements are investigated for possible implementation during CP5. These include:
- between Huntingdon and Peterborough;
 - at Peterborough station;
 - at Werrington Junction, north of Peterborough;
 - at Doncaster station; and
 - between Darlington and Newcastle.

The Government will publish its HLOS requirements for CP5 by the end of July 2012.

InterCity Express Programme

- 8.4 InterCity Express trains (IEPs) are being procured by the DfT for use on the East Coast Main Line. IEPs will have better acceleration and higher seating capacity than existing trains. They will be designed, built, funded and maintained by a Train Service Provider (TSP). The IEP procurement strategy is to deliver a product to address an output-based specification, with an associated performance regime to incentivise the TSP to meet those outputs. The DfT is in the process of finalising contractual terms with the TSP Preferred Bidder and it is anticipated that the contract will have a term of 27.5 years. The ICEC franchisee will play an important role, working together with the DfT, other operators (including the Great Western operator, which will also be introducing IEPs), Network Rail and the TSP, in introducing and operating the new trains.
- 8.5 A feature of the IEP is the concept of a 'family of trains' formed by a set of standard vehicles. IEPs will be either electric or bi-mode (trains which can operate in electric or diesel mode) and may be full or half length. This concept provides the maximum flexibility for deployment of IEPs over the longer term.
- 8.6 It is anticipated that IEPs will be introduced on to East Coast Main Line services from 2018, replacing the current IC125 (HST) trains and resourcing additional services. The full fleet will be available from mid 2019. The IEP contract also includes an option for the DfT to procure additional trains to replace the current Class 91 + Mk4 trains. The DfT is currently considering the process and timescale for deciding whether or not to exercise this option.
- 8.7 The planned IEP configurations are shown in Table 8.1 below. A contract variation process is anticipated to give bidders scope to amend the fleet size and train configurations.

Table 8.1 IEP Train configurations			
	Type	Formation	Number of trains in daily use
HST replacement	Bi-mode	9-car	10
Additional ECML services	Electric	5-car	10
Additional ECML services	Bi-mode	5-car	8
IC225 replacement (potential option)	Electric	9-car	26

- 8.8 The IEP contract structure envisages that the ICEC franchisee will enter into a contract (the Train Availability and Reliability Agreement) with the TSP for provision of an agreed number of IEPs per day to resource its train services.

- 8.9 Bidders will be expected to demonstrate how they would manage the introduction of IEP trains and the consequent run-down of displaced rolling stock and any surplus maintenance facilities.
- 8.10 IEP introduction provides the opportunity to make improvements to the timetable on the ECML to take advantage of the operational characteristics of the new trains and potentially to resource an increase in service frequency to six trains per hour off-peak and up to eight trains in peak hours. It is anticipated that the industry will undertake a major timetable review for May 2019, though some limited changes may be possible at an earlier date. Bidders will be encouraged to make proposals that:
- offer improved journey times and service frequencies for the principal passenger flows;
 - develop secondary flows where appropriate, including taking advantage of the IEP bi-mode capability to serve new locations;
 - improve the match between service provision and demand, particularly where services are lightly used; and
 - are consistent with the introduction of Thameslink services on the ECML.

Thameslink

- 8.11 The Thameslink project is due to be completed during CP5, providing a major increase in capacity for cross-London train services. It is anticipated that through services between stations on the ECML, central London and stations in the South and South East will commence in 2017. These services will not form part of the ICEC franchise, but the resulting timetable changes could have an impact on ICEC services.
- 8.12 The services on the ECML that are currently operated by First Capital Connect are expected to become part of the new combined Thameslink, Southern and Great Northern franchise which is due to commence in September 2013. As explained in Section 7 above, the Department is considering whether, at a later date, the ICEC franchisee should become the operator of some or all of the Great Northern services that do not become through Thameslink trains and continue to use King's Cross and Moorgate.

High Speed 2

- 8.13 The Government believes that a high speed rail network should be developed to support long-term economic growth through provision of a major increase in rail capacity and significant journey time reductions. The first stage of the high speed network, HS1, already links London with mainland Europe via the Channel Tunnel. The second stage, HS2, is proposed to open between London and Birmingham in 2026, with extensions to Manchester and Leeds anticipated by 2032/33.
- 8.14 The opening of HS2 is beyond the term of the new ICEC franchise and is not expected to affect this franchise competition, though it will, of course, have an impact on subsequent ICEC franchises.

European Train Control System

- 8.15 Network Rail is planning to adopt the European Train Control System (ETCS) which includes the European Rail Traffic Management System (ERTMS). This will take place over a 30-year period as current signalling equipment falls due for renewal and will involve the progressive replacement of lineside signals by a cab display system.
- 8.16 The ECML between King's Cross and Doncaster is one of the first parts of the network that is planned to be converted to ETCS/ERTMS operation, commencing in 2018, and from that date all rolling stock used by the ICEC franchisee will need to be fitted with ETCS/ERTMS equipment. The IEP trains will be equipped from new, but the franchisee will be responsible for arranging fitment of all its other rolling stock.

Future investment

- 8.17 The Government believes that longer franchises will encourage bidders to fund investment in the rail network, building on the long term value of the franchise while also delivering the objectives set out in section 5 of this document. Enhancements will be expected to be commercially viable, though not necessarily over the life of one franchise, and to deliver benefits to passengers. Infrastructure investment by the franchisee will be eligible for addition to Network Rail's Regulated Asset Base (RAB), allowing the franchisee to fund the investment through an annual charge instead of a capital sum. This will be subject to agreement with ORR and commercial requirements which would normally include payback within 15 years (of which no more than 7 years are after the end of the franchise). Bidders will be expected to assure the Department that such enhancements increase the value of the franchise and that assets thus funded are maintained in a good condition for the next franchisee.
- 8.18 The HLOS and delivery plan for CP5 will be developed and published in due course and the new franchisee should expect to work with the rail industry to facilitate the development of CP5 proposals through the normal industry process.

Q5 Are consultees aware of any other rail or non-rail major development schemes that are likely to have a significant impact on the new ICEC franchise?

Rail Value for Money

- 8.19 The Government is determined to secure a sustainable and efficient railway, as set out in the March 2012 Command Paper – *Reforming our Railways: Putting the Customer first*. A key element of the Government's strategy is achieving a better alignment between TOCs and Network Rail. The aim is to encourage them to work more closely together to deliver better value by driving down the cost of the railway and improving the quality of services to benefit passengers and taxpayers. The Command Paper sets the Government's strong support for formal alliancing between train operators and Network Rail to deliver greater efficiency and better outcomes for passengers. One of the ORR's proposals is for a Regional Efficiency Benefit Share, which would give TOCs a share of both good and poor performance by Network Rail against its Operations, Maintenance and Renewal (OMR) efficiency targets.
- 8.20 The Department will expect bidders to develop proposals in discussion with Network Rail to demonstrate how they would reduce the whole industry unit cost of operations on this franchise and improve efficiency. The franchise agreement will be structured to facilitate this, including alliancing arrangements where appropriate. It is expected that

the successful franchise bidder will be required to set out, and commit to specific savings to reduce the cost of operating the franchise. The Department also expects that the franchisee will make its cost data available to the Department and the ORR. This data could be published and compared with unit costs in other franchises in order to encourage further reductions in the overall cost of the railway.

Transport Scotland

- 8.21 The ICEC franchise operates cross-border services between England and Scotland which are specified and funded by the Department for Transport. The Department regards Transport Scotland as an important partner and the two organisations work closely together to ensure that the specification for ICEC cross-border services properly reflects Scottish needs.
- 8.22 Transport Scotland has indicated that its priorities for improvements to ICEC services include:
- Optimising the balance between fast, targeted business services with reduced journey times, and the need for good connectivity between Edinburgh and intermediate stations on the ECML;
 - Retention of through services to/from Aberdeen and Inverness;
 - Review of timings for the service to/from Inverness and Aberdeen to ensure that arrival and departure times are as convenient as possible for the majority of passengers;
 - Review of opportunities for ICEC services to provide increased peak capacity at Edinburgh.

Passenger Focus

- 8.23 Passenger Focus provides independent advice to the Secretary of State, based on research and consultation with wider stakeholders, on the key issues that the new franchise should consider. Passenger Focus published a report in November 2009 to inform the Department's consultation in January 2010 on the ICEC franchise. This document is available on the Passenger Focus website (www.passengerfocus.org.uk). The recommendations from the report have been supplemented with an updated view of passenger perceptions which is also available on the Passenger Focus website
- 8.24 Passenger Focus's research has identified passengers' priorities for improvement of ICEC which are summarised in table 8.2 below.

Table 8.2 Summary of Passenger Focus research into priorities for ICEC improvement

Rank	Output
1	Punctuality and reliability of the train
2	Value for money for the price of the ticket
3	Being able to get a seat on the train
4	Length of time the journey was scheduled to take (speed)
5	Facilities and services on board the train
6	Frequency of trains for this journey
7	Provision of information about train times/platforms
8	Personal security while on board the train
9	Personal security at the station
10	Ticket-buying facilities
11	Ease of getting to and from the station
12	Facilities and services at the station

8.26 Bidders will be encouraged to use Passenger Focus research to shape their proposals for the new franchise. The Department intends to continue to work with Passenger Focus in considering how best to incentivise bidders to develop services in a cost-effective, affordable and practical manner to meet passengers’ aspirations. In general, the Department is supportive of initiatives that seek to improve service quality, the provision of better passenger information and which link proposed improvements to measurable results.

Decentralisation

8.27 The Government is currently consulting on the feasibility of decentralising some responsibilities for local rail services (see *Rail decentralisation: devolving decision-making on passenger rail services in England* available on the DfT website). This consultation is due to finish on 28 June. Views are being sought on whether improved outcomes for rail users might be achieved in some cases if more decisions on local rail services were made closer to the communities they serve. Under the existing franchise arrangements, all services have been specified, funded and managed centrally by the Department.

8.28 Given the long-distance strategic nature of the services provided by the ICEC operator, decentralisation is unlikely to be appropriate for this franchise. However, the Department expects the franchisee to work closely with local authorities and other relevant bodies to ensure that local needs are properly understood and considered. This will be particularly important if any shorter distance local services were to transfer to the ICEC franchise in the future (see Section 7 above).

Community rail partnerships

8.29 The DfT is keen to see improvements in the financial performance and usefulness of local and rural railway lines through the application of the Community Rail Development Strategy. The strategy (published in November 2004 and available on the DfT website) sets out pragmatic and practical steps that can be taken to increase revenue, reduce costs and increase community involvement in local and rural railways.

Currently the East Coast Main Line has interfaces with the following partnerships:

- the Poacher line between Nottingham, Grantham and Skegness;
- the Yorkshire Coast Line between Hull and Scarborough;
- the Heritage line between Bishop Auckland and Darlington; and
- Tyne Valley (Hadrian's Wall Line) between Newcastle and Carlisle.

The DfT expects bidders for the ICEC franchise to demonstrate a commitment to work with community rail partnerships over the life of the franchise.

Stakeholder engagement

8.30 The Department places a high value on the insight and knowledge that stakeholders bring to the franchise replacement process and appreciates the contributions already made. The Department will engage with interested parties at formal consultation events along the ICEC route, during the consultation period.

Q6 Are there any research findings, evidence or other publications that consultees wish to bring to the attention of the Department as part of this refranchising process?

9. The service specification

Train service requirements

- 9.1 The Government's policy is that franchise operators should have the commercial freedom and flexibility to develop the train service to meet the needs of passengers. The Government intends to set the train service specification so that operational and timetabling decisions are devolved to the franchisee to the greatest extent possible, both in the bidding phase and during the life of the franchise itself, while protecting key outcomes for passengers, the economy, and the taxpayer.
- 9.3 We intend that the train service specification should provide greater flexibility for the franchisee to respond to demographic and market changes and commercial opportunities than is the case under the current arrangements.
- 9.4 The Department's specifications need to reflect the characteristics of individual franchises. For example, the specifications for the InterCity West Coast and Great Western franchises are being tailored to their particular requirements. In addition to the main intercity flows to/from London, the ICEC franchise also serves a number of other markets, including longer distance London commuting, business travel and commuting to/from other centres such as Leeds, Newcastle and Edinburgh, and extensive leisure travel.
- 9.5 The Department proposes that the new ICEC train service specification could be made up of the following service characteristics:
- Total number of trains;
 - Basic minimum frequency;
 - Overall capacity and key journey opportunities in the peak commuting hours to/from London and other main centres; and
 - Earliest arrival and latest departure times.
- 9.6 As we said when we announced our decision on continuation of the IEP project, we recognise the economic and social benefits provided by through services between London and destinations north of Edinburgh. We are therefore proposing that the new franchise continues to mandate provision of such services.
- 9.7 Journey times may be specified for a limited number of services to ensure delivery of economic and environmental benefits that might not be secured through commercial pressures alone. For example, rail's ability to attract business travel from domestic air routes is very sensitive to journey time, but the earning potential of the fastest rail services might be greater if they served more intermediate stations.
- 9.8 We recognise that passenger demand is not constant through the week. It might therefore be appropriate to give the franchisee further flexibility by specifying the weekly (Monday – Friday) number of through journeys for each key flow so that there is scope to reduce the number of journey opportunities on any individual weekday provided that the Monday to Friday total is broadly consistent with the current level of service. Separate minimum service levels could be specified for Saturdays and Sundays in view of the significant variations in traffic flows and overall volume at weekends.
- 9.10 The Department would like to understand consultees' views on whether we should require an increase in the minimum level of service when IEP trains are introduced in May 2019. We would welcome views on whether such a change could secure delivery

of some aspects of the passenger benefits expected in the IEP business case, or whether a better outcome is likely to be achieved by leaving the minimum service level unchanged and relying on the franchisee to exploit the full potential of the IEP trains, within the constraints of the IEP contract structure.

- 9.11 If the scope of the franchise is increased by transferring other services to ICEC, as discussed in section 7 above, the minimum service requirement for those services could be developed using the same principles. This could provide flexibility for the franchisee to improve its services whilst protecting the current level of key journey opportunities.
- 9.12 The Department will encourage bidders to consider innovative train service enhancements. This may include serving locations which currently have limited, or no, direct services to London.

Q7 Consultees' views are invited on the train service specification, including which aspects should be mandated by the Department and which can be left to commercial discretion; and also on whether or not there should be a change in the specified minimum service level when IEP trains are introduced.

Q8 Consultees' views are invited on the potential for the franchise to serve locations accessible from the East Coast Main Line which currently have limited or no direct services to London.

Capacity and crowding

- 9.12 The Department believes that it is reasonable for passengers to expect to get a seat for journeys of more than 20 minutes. In the current franchise, there are only a small number of ICEC journeys that last less than 20 minutes – these are mainly short distance commuter flows where some standing might be expected.
- 9.13 The specification of a franchise is underpinned by demand forecasts developed in accordance with the Department's guidelines, using a forecasting framework based on standard rail industry models. This allows a number of exogenous drivers to be modelled, as well as forecasting the effects of service quality and fare changes.
- 9.14 The ICEC franchisee will need to ensure efficient allocation and deployment of available rolling stock. The franchisee will be required to balance its timetable, resources, reservation policy and unregulated fares provision to ensure that sufficient capacity is provided to meet its existing and forecast future demand, subject to the prevailing infrastructure constraints.

Performance and reliability

- 9.18 Bidders will be encouraged to propose challenging performance targets based on their assessment of the improvements that are practical at a reasonable cost. The minimum requirement could be to deliver all current performance improvement plans that have been developed for CP5. However, the Department will expect bidders to propose improvements over the period of the franchise which take into account the benefits of IEP introduction and planned infrastructure enhancements.

- 9.19 The DfT will expect the successful bidder to enter into contractual commitments regarding achievement of agreed performance and reliability targets.
- 9.20 The Department believes that greater disaggregation of performance data, in line with the drive to promote improved transparency from the rail industry, will encourage TOCs to achieve consistency across the different types of service they operate. We intend to specify how the TOC should publish performance data for trains arriving at their destinations within ten minutes of the advertised time. This could be on a more disaggregated basis.

Implementing changes to the timetable

- 9.21 The new, more flexible, approach to train service specification will allow train operators to introduce a range of changes to their timetables without reference to the Department. For material timetable changes during the franchise period, the operator will be required to carry out public consultation to assess the impact on passengers before the proposed changes are included in the timetable planning process. It is important that this consultation is well publicised and takes place at an early stage when responses can have a genuine impact on the franchisee's decisions.
- 9.22 Bidders' timetabling proposals will need to take due account of existing track access rights held by other train operators, passenger and freight, and ORR's policies in relation to track access rights. ORR has indicated that it intends to implement some changes to the expression of access rights in model track access contracts. See *Reform of access contractual arrangements Schedule 5 conclusions* (May 2012) on ORR's website www.rail-reg.gov.uk/upload/pdf/schedule5-conclusions-may-2012.pdf

10. Delivering improvements for passengers

10.1 The Department will require bidders to make proposals to improve the overall quality of services delivered to passengers. Bidders will be encouraged to find innovative ways to improve upon the current level of passenger satisfaction and will be free to propose alternative approaches to those described below.

Fares, ticketing and information

10.2 The Department is undertaking a separate consultation exercise on its review of fares and ticketing, which is due to finish on 28 June 2012 (see *Rail fares and ticketing review* which is available on the DfT website). The ICEC franchisee will be required to adopt the Department's standard fares and ticketing arrangements, including any changes arising from the current review.

10.3 An important priority for the Government is for the rail industry to exploit new technology to improve and simplify ticket retailing and provision of passenger information. The franchisee will be expected to accept ITSO-based smart ticketing, and other retailing initiatives could include:

- Better usability of options for ticket purchase such as ticket vending machines and web retailing. The Passenger Focus reports *Ticket vending machine usability (2010)* and *Ticket retailing website usability (2011)* set out passengers' views;
- Innovative use of new and existing technologies, including use of ITSO-compliant and inter-operable smart ticketing (which could include personal technology such as smart phones and contactless bank cards), and using these technologies to develop new ticket types, and more flexible versions of existing tickets, based on passengers' needs; and
- Use of marketing opportunities, including social media, to develop customer relationships to build demand for premium products, discretionary journeys and the use of less busy services.

10.4 When implementing these new approaches, the franchisee will be expected to participate actively in establishing a common industry approach.

10.5 Bidders will also be required to operate a Passenger's Charter, including a Delay Repay compensation scheme based on delays to journeys. They will also be required to demonstrate a commitment to a proactive policy of informing passengers of their right to make a claim in any relevant situation.

10.6 Research by Passenger Focus has highlighted that the provision of timely and accurate information is a key priority for passengers, and that passengers have distinct information needs before travelling and during their journeys. This is especially true during periods of disruption. The ORR has implemented a new licence condition requiring train operators to comply with the ATOC Approved Code of Practice which defines standards for passenger information during disruption. Bidders will be required to set out their plans for provision of passenger information.

Q9 Are consultees aware of any ways in which improved ticketing, smart ticketing and passenger information might be provided?

Service quality

- 10.7 The Department is considering approaches to specifying service quality for the new franchise. Recent franchise competitions have included contracted targets for certain National Passenger Survey (NPS) scores, based on bidders' proposals.
- 10.8 The Department is seeking improvements that are aimed at enhancing the overall quality of the service experienced by passengers using ICEC services. Issues that have been highlighted by Passenger Focus and others include facilities and services on-board trains, provision of information, and facilities and services at stations. It might be appropriate to set separate targets for passenger satisfaction in relation to trains, information and stations.

Q10 Do consultees support the use of NPS scores to monitor and improve service quality of the ICEC franchise? Are there any other approaches that might be more effective in securing improvements in customer experience?

Better stations

- 10.9 We want to see the stations improve in this franchise. We see potential advantages in giving the new franchisee greater involvement in station management and matters such as how maintenance, repair and renewal programmes are delivered. This outcome could be achieved either by revising station leasing arrangements or through an alliance between the franchisee and Network Rail. We would be interested to understand stakeholder views on priorities for investment in station facilities over the life of the new franchise.
- 10.10 A station travel plan is a strategy for managing the travel generated by an organisation, with the aim of reducing its environmental impact. Such plans typically involve support for walking, cycling, public transport and car sharing and can provide a welcome focus on passengers' end-to-end journey experience. Stakeholders are encouraged to suggest stations at which station travel plans would be beneficial. We will expect bidders to set out their ideas for delivering successful programme of station travel plans throughout the term of the franchise. More details and results can be found at www.stationtravelplans.com/view-the-pilots?pilot_id=11
- 10.11 A number of stations on the East Coast route have been improved during the current franchise, bringing these locations up to a better standard and improving the customer experience. Some of these investments have been supported by Government schemes, such as Access for All and the National Stations Improvement Programme (NSIP). We would expect bidders to build on the work that has already been done. Where solutions can be found which are affordable and provide value for money, we would encourage bidders to propose further improvements to the station environment.
- 10.12 In a number of recent franchise competitions, the Department has sought to give greater responsibility for maintenance and enhancement of station facilities to the train operator. The responsibility for asset stewardship, to maintain, renew, improve and develop stations for the long term, has been transferred from Network Rail to the train operator through revised station lease agreements. This arrangement might also be applied to the ICEC franchise.
- 10.13 The Department will consider other options, including but not limited to allowing

revised station responsibilities to emerge from partnership working discussions between the franchisee and Network Rail. This could be an option for the ICEC franchise, and could include the larger stations such as York and Newcastle becoming Network Rail managed stations.

- 10.14 It will be for bidders to consider what enhancements might be desirable at ICEC stations and to make proposals in their bids. We would also be interested to understand consultees' views on priorities for investment in station facilities over the life of the new franchise. If bidders are given greater responsibilities at stations, they will be expected to consider how to enhance the quality of their station portfolio. They will also be required to satisfy the reasonable requirements of those funding improvements or providing services, such as local authorities.

Q11 What are consultees' priorities for improvements to the stations managed by the ICEC franchisee?

Security and safety

- 10.16 Passenger Focus research identifies personal security as an important factor for passengers. Passenger Focus has produced a publication on this subject entitled *Passenger Perceptions of Personal Security on the Railways*.
- 10.17 The new franchise provides an opportunity for bidders to develop plans to improve passengers' perception of security on trains and at stations. We expect this could include, and may go beyond, security enhancements such as extensions to CCTV coverage, lighting improvements and closer working with the British Transport Police.
- 10.18 Bidders will be expected to give proper consideration to health and safety issues affecting passengers, staff and other rail users, both on trains and at stations. The Department would welcome proposals to improve health and safety, including through joint initiatives with other rail industry parties, and would encourage bidders to engage with ORR in developing proposals.

Q12 What do consultees believe are the most important factors in improving safety and security (actual or perceived)?

Improving the environmental performance of the railway

- 10.19 Although rail is a relatively clean and efficient means of transport, it must still play its part in reducing its environmental impacts and in contributing to the Government's broader sustainable development objectives. Given the large populations living near the railway, all TOCs have an important role to play in managing their activities to reduce noise, pollution and other disturbance to their line-side neighbours.
- 10.20 Consequently, the Department will expect bidders for this franchise to set out plans for measuring, monitoring and reducing the environmental impact of their activities. As part of this process, bidders will be encouraged to set annual targets to improve the environmental performance of the franchise and to ensure they have appropriate environmental management systems.
- 10.21 Bidders will be expected to reflect industry best practice in their proposals, in particular

for measuring, monitoring and reducing traction and non-traction energy consumption. Where initiatives reduce energy bills or other costs, the Department would expect the benefits to be reflected in lower franchise costs. Bidders are expected to consider developing and implementing a sustainable procurement policy to reduce the environmental impact of goods and services procured as part of the franchise.

Increments and decrements

10.22 Funders, such as local authorities, are invited to propose service enhancements (so called “increments”), as well as make proposals for service reductions with an indication of how the savings would be re-invested to strengthen other local services (so called “decrements”). Any proposed increments or decrements must:

- comply with the objectives of the franchise;
- be operationally robust;
- demonstrate value for money; and
- be funded by promoters for at least an initial three year period (for which the promoter will need to provide written guarantees of funding).

For further information, please see *Conditions Relating to the Funding of New or Enhanced Services Promoted by Local Bodies*, which is available on the Department’s website at: <http://www.dft.gov.uk/pgr/rail/strategyfinance/revisepolicyfunding>.

10.23 In addition to its base case specification, the Department may ask bidders to submit proposals for a number of priced options. These could involve the provision of additional services or, in certain circumstances, a reduction in the level of service from that proposed in the Department’s base case. Increments or decrements proposed by other funders might also be taken forward in the base specification or as priced options.

Q13 Are there any increments or decrements to the DfT’s proposed specification that stakeholders would wish to see and would be prepared to fund?

Equality Act 2010

10.24 The Department will expect bidders to ensure that their proposals comply with equalities and discrimination legislation, and include the production of a Disabled People’s Protection Policy (DPPP) which sets out accessibility and service levels that disabled people should expect. In particular, bidders will be requested to describe in detail their compliance strategies applicable to services, stations and trains. They will also need to explain how they will consult with relevant groups to ensure that the reasonable needs of all passengers are identified and addressed, both within existing facilities and where enhancements are planned. Bidders will also need to outline their plans for staff awareness training and detail their procedures for the sale of tickets, including the provision of a free assisted persons’ helpline.

10.25 Bidders will be aware of the date (1 January 2020) by which all trains must be accessible to persons with reduced mobility. As this franchise extends beyond that date, bidders will be required to work with rolling stock leasing companies to identify in their bids, opportunities during the franchise for any corrective works to take place to enable applicable fleets to operate after 1 January 2020.

11. Consultation

- 11.1 Consultees are requested to comment on aspects of the Department's proposed approach to the new ICEC franchise and in particular the questions posed in this consultation document and brought together in Appendix 1. The Department would also welcome formal notification of any specific increments or decrements that potential funders wish to pursue as part of the franchise.
- 11.2 Following the consultation period, the DfT will consider responses, undertake such further analysis as might be necessary, and amend the franchise specification as appropriate, to update the base case and to include any priced options. The final specification will be issued as part of the ITT. The Department will produce a summary of the outcome of the consultation process as a Stakeholder Briefing Document and will publish this alongside the ITT in early 2013.

The consultation criteria

- 11.3 This consultation is being conducted in line with the Government's Code of Practice on Consultation. The criteria are listed at Appendix 5, while a full version of the Code of Practice on Consultation is available on the Better Regulation Executive website at: www.bis.gov.uk/files/file47158.pdf
- 11.4 If you consider that this consultation does not comply with the criteria or have comments about the **consultation process**, please contact:
- Consultation Coordinator
Department for Transport
Zone 2/25
Great Minster House
London SW1P 4DR
Email address: consultation@dft.gsi.gov.uk

Impact assessment

- 11.5 The Department has conducted a screening level assessment of the impact this franchise consultation will have on the promotion of equality and is satisfied that, at this stage, a full Equality Impact Assessment is not required. Details of the screening level assessment can be obtained from the Department on request.

Invitations to consultees

- 11.6 A list of bodies formally consulted is set out in Appendix 3.
- 11.7 Rail User Groups should send comments in the first instance to the Department for Transport and also provide copies to Passenger Focus as appropriate.
- 11.8 Members of the general public may also wish to copy their responses to their local district, county, unitary authority or London borough or Member of Parliament. Copies of comments can also be made available to Passenger Focus.

- 11.9 When responding, please state whether you are responding as an individual or representing the views of an organisation. If responding on behalf of a larger organisation please make it clear who the organisation represents and, where applicable, how the views of members were assembled.

Freedom of Information

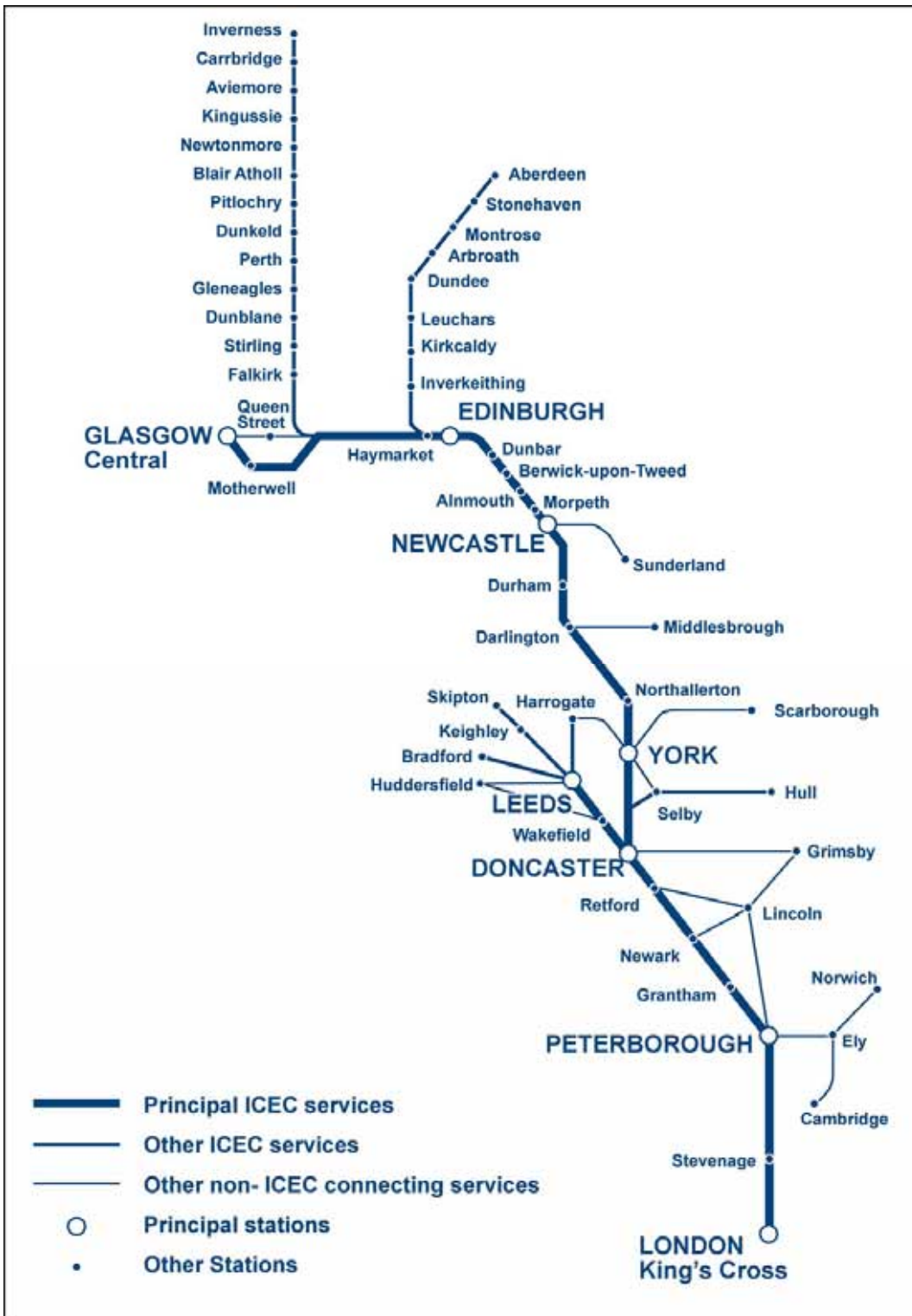
- 11.10 Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the Freedom of Information Act 2000 (FOIA) or the Environmental Information Regulations 2004.
- 11.11 If you want information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence.
- 11.12 In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information, we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.
- 11.13 The Department will process your personal data in accordance with the Data Protection Act 1998, and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties.
- 11.14 It should be noted that submissions will not usually receive individual responses.
- 11.15 This document has been published on the DfT website (www.dft.gov.uk) and can be made available in appropriate accessible formats on request.
- 11.16 Responses to this consultation should be sent to:
- ICEC Franchise Consultation Manager
Department for Transport
Zone 3/15
Great Minster House
33 Horseferry Road
London SW1P 4DR
- Or by email to: ICEC@dft.gsi.gov.uk
- 11.17 The deadline for responses is **18 September 2012**, but earlier replies will be very welcome.

Appendix 1: Summary of consultation questions

Respondents to the consultation are encouraged to consider the following questions:

- Q1 Do consultees agree that the proposed franchise objectives are an appropriate expression of the priorities that should apply to the new ICEC franchise?
- Q2 Are there any other issues that consultees believe the Department should take into account in determining the length of the new ICEC franchise?
- Q3 What are consultees' views on the principle of the new ICEC franchise becoming a multi-purpose train operator along the route of the East Coast Main Line rather than focusing only on the InterCity services provided by the current operator?
- Q4 Do consultees have any comments on which services might be considered for inclusion in the new ICEC franchise and how they might be specified?
- Q5 Are consultees aware of any other rail or non-rail major development schemes that are likely to have a significant impact on the new ICEC franchise?
- Q6 Are there any research findings, evidence or other publications that consultees wish to bring to the attention of the Department as part of this refranchising process?
- Q7 Consultees' views are invited on the train service specification, including which aspects should be mandated by the Department and which can be left to commercial discretion; and also on whether or not there should be a change in the specified minimum service level when IEP trains are introduced.
- Q8 Consultees' views are invited on the potential for the franchise to serve locations accessible from the East Coast Main Line which currently have limited or no direct services to London.
- Q9 Are consultees aware of any ways in which improved ticketing, smart ticketing and passenger information might be provided?
- Q10 Do consultees support the use of NPS scores to monitor and improve service quality of the ICEC franchise? Are there any other approaches that might be more effective in securing improvements in customer experience?
- Q11 What are consultees' priorities for improvements to the stations managed by the ICEC franchisee?
- Q12 What do consultees believe are the most important factors in improving safety and security (actual or perceived)?
- Q13 Are there any increments or decrements to the DfT's proposed specification that stakeholders would wish to see and would be prepared to fund?

Appendix 2: Current Franchise Map



Appendix 3: List of formal consultees

Association of Train Operating Companies
British Transport Police
Community Rail Partnerships within the ICEC franchise area
Disabled Persons Transport Advisory Committee
Equality and Human Rights Commission
Freight Operators
Freight Transport Association
Greater London Authority
Local Enterprise Partnerships within the ICEC franchise area
Local Government Association
Local, Metropolitan, County and Unitary Authorities within the ICEC franchise area
London Boroughs within the ICEC franchise area
London TravelWatch
Mayor of London's Office
Members of Parliament within the ICEC franchise area
Members of the Scottish Parliament within the ICEC franchise area
National Rail Contractors Group
Network Rail
Office of Rail Regulation
Passenger Focus
Passenger Transport Executives within the ICEC franchise area
Rail Freight Group
Rail Safety and Standards Board
Rolling Stock Leasing Companies
Scottish Executive
Train Operating Companies within the ICEC franchise area
Transport for London
Transport Scotland

Appendix 4: Glossary of terms

A4A	Access for All
ATOC	Association of Train Operating Companies
BTP	British Transport Police
CCTV	Closed Circuit TeleVision
CIS	Customer Information System
CP4	Control Period 4
CP5	Control Period 5
The Department	Department for Transport
DOO	Driver Only Operation
FOIA	Freedom of Information Act 2000
HLOS	High Level Output Specification
HS2	High Speed Two
ITSO	ITSO (Smartcard system)
ITT	Invitation to Tender
MAA	Moving Annual Average
NPS	National Passenger Survey
NR	Network Rail
NSIP	National Stations Investment Programme
NRDF	Network Rail Discretionary Fund
ORR	Office of Rail Regulation
PDFH	Passenger Demand Forecasting Handbook
PPM	Public Performance Measure
PSR	Passenger Service Requirement
PTE	Passenger Transport Executive
ROSCO	ROLLing Stock COmpany
RUS	Route Utilisation Strategy
SCPF	Stations Commercial Project Facility
SDO	Selective Door Operation
SFO	Station Facility Owner
TAA	Track Access Agreement
TfL	Transport for London
TOC	Train Operating Company
tph	Trains per hour
TOC	Train Operating Company
TVM	Ticket Vending Machine
VfM	Value for Money

Appendix 5: Code of Practice on Consultation

The Government has adopted a Code of Practice on consultations. The Code sets out the approach Government will take to running a formal, written public consultation exercise. While most UK Departments and Agencies have adopted the Code, it does not have legal force, and cannot prevail over statutory or other mandatory external requirements (e.g. under European Community Law).

The Code contains seven criteria. They should be reproduced in all consultation documents. Deviation from the code will at times be unavoidable, but the Government aims to explain the reasons for deviations and what measures will be used to make the exercise as effective as possible in the circumstances.

The seven consultation criteria

- 1. When to consult:** Formal consultation should take place at a stage when there is scope to influence the policy outcome.
- 2. Duration of consultation exercises:** Consultations should normally last for at least 12 weeks with consideration given to longer timescales where feasible and sensible.
- 3. Clarity of scope and impact:** Consultation documents should be clear about the consultation process, what is being proposed, the scope to influence and the expected costs and benefits of the proposals.
- 4. Accessibility of consultation exercises:** Consultation exercises should be designed to be accessible to, and clearly targeted at, those people the exercise is intended to reach.
- 5. The burden of consultation:** Keeping the burden of consultation to a minimum is essential if consultations are to be effective and if consultees' buy-in to the process is to be obtained.
- 6. Responsiveness of consultation exercises:** Consultation responses should be analysed carefully and clear feedback should be provided to participants following the consultation.
- 7. Capacity to consult:** Officials running consultations should seek guidance in how to run an effective consultation exercise and share what they have learned from the experience.

If you consider that this consultation does not comply with the criteria or have comments about the consultation process please contact:

Consultation Coordinator
Department for Transport
Zone 1/14 Great Minster House
33 Horseferry Road
London, SW1P 4DR

Email: consultation@dft.gsi.gov.uk