

InterCity West Coast Consultation Document

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Executive summary

This consultation document sets out the options for a specification that shortlisted bidders may be asked to consider and seeks views from stakeholders on these. The final specification will reflect value for money and affordability requirements and will also seek any proposals for increments or decrements that funders would like to see considered as priced options for the franchise.

The new InterCity West Coast franchise is due to commence on 1 April 2012 and will be based upon the service structure presently operated by Virgin Rail Group through its subsidiary, Virgin Trains.

Expressions of interest are now being sought from potential bidders, and shortlisted applicants will receive an Invitation to Tender the issue of which is planned for the summer of 2011. The winning bidder will be announced in late 2011.

The Government believes that the former system of franchising had become too prescriptive at the point of bidding and lacked flexibility once operational. Following extensive consultation, a new franchising system has been devised to facilitate and encourage significant private investment, and designed to deliver important benefits for passengers. The Government also believes that longer franchises are necessary to encourage this investment; to build successful long term working relationships with Network Rail; to focus franchises more strongly on the quality of outcomes for passengers and to deliver the best possible value for money for the taxpayer in a highly constrained public spending environment.

Getting those responsible for track and train to work more closely together, drive down costs to passengers and taxpayers, and improve the quality of services are priorities for the Government.

The proposed specification for this franchise reflects these principles, and we will therefore ask bidders to consider improving stations, trains and service quality.

By December 2012 infrastructure works on the West Coast Main Line are expected to be completed and this will allow operation of 11-car Pendolino trains (as compared with today's maximum of 9-cars) to commence. These works include a programme of platform lengthening at certain stations and, in conjunction with the additional 106 carriages ordered, will permit significantly increased carrying capacity on the network particularly for routes serving central London and regional cities as lengthened trains are introduced.

The new franchise will provide important transport facilities during the period of the Olympic and Paralympic Games, carrying large numbers of passengers to and from London Euston for interchange access to and from the Olympic Park and to three venues outside London for the Olympic football competition.

Passenger Focus have a vital role within the specification process, emphasising the importance the Department places on passenger needs within the overall franchising process. Passenger Focus will continue to provide the Secretary of State with advice on key issues that the new franchise should seek to address. We are grateful to Passenger Focus for its input and will continue discussions with it as the specification develops.

This consultation should be viewed within the context of the Government's Railways for All Strategy, which will improve accessibility of all aspects of rail travel for disabled people.

We have considered whether the potential changes 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 responsibilities under the various equality duties extremely seriously and would welcome respondent's views on any issues that may affect equality of opportunity in these areas.

The closing date for consultation responses is 21 April 2011.

1. Introduction

The current franchise was awarded to the Virgin Rail Group on 19 February 1997 to start in March 1997 and run for a period of 15 years to 31st March 2012. The new InterCity West Coast franchise is due to commence on 1 April 2012 and will operate express train services from London Euston to the West Midlands, North West England, North Wales and Scotland. The franchise provides train services along the West Coast Main Line from Euston in the heart of London to Glasgow in Scotland. It serves the key cities of Birmingham, Liverpool, Manchester, Edinburgh and Glasgow as well as servicing the North of Wales to Holyhead.

The franchise operates over 300 train services per day, delivering over 26 million passenger journeys and 3.2 billion passenger miles per year and employs around 3000 staff.

The Rail Value for Money study being conducted by Sir Roy McNulty is assessing how the costs of running the railway can be reduced, while continuing to invest in capacity enhancement and improving passenger satisfaction. The document Reforming Rail Franchising, which was published by DfT in July 2010 considered the appropriate duration for rail franchises, franchise risk-sharing arrangements and measures designed to deliver better quality for passengers. Taking into account the responses to Reforming Rail Franchising and the initial findings of the Rail Value for Money study, the Department considers that a core franchise term of 14 years plus an option for an extension of one year is appropriate for the InterCity West Coast franchise. This length is specifically designed to align the end of the franchise with the proposed introduction of HS2 due to the fundamental changes to track access rights and through train connections with the north of England and Scotland that would be necessitated.

The rail franchise contract will include provisions that will allow the Department to terminate the contract earlier if the franchisee fails to deliver good quality for passengers or otherwise fails to meet the Departments' requirements.

The aim of this document is to:

- inform stakeholders of the process for awarding the InterCity West Coast franchise;

- provide stakeholders with background information about existing service and detail the strategic planning and transport context of the franchise;
- provide information on the impact of major projects on the franchise;
- detail the role of Passenger Focus in developing this specification;
- advise stakeholders of the objectives and expectations for the franchise;
- inform stakeholders of the potential options being considered for the franchise ; and
- give potential funders the opportunity to comment on these proposals and formally notify the Department of any specific increments or decrements they may wish to purchase.

This consultation document should be considered within the context of the broader transport policy environment and stakeholders should be aware of a number of other relevant studies and documents that are considering or have recently considered this area of the rail network and that have effected the proposals set out within this consultation. These are:

- The Department for Transport's Rail White Paper *Delivering a Sustainable Railway* published in July 2007.
- The Department for Transport's *Towards a Sustainable Transport System - Supporting Economic Growth in a Low Carbon World* published in October 2007.
- The Department for Transport's *North West Regional Planning Assessment for the Railway* published in October 2006.
- The Department for Transport's *West Midlands Regional Planning Assessment for the Railway* published in July 2006.
- The Department for Transport's *Wales Rail Planning Assessment* published in July 2007.
- The Department for Transport's *Reforming Rail Franchising* consultation document published in July 2010.
- 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
- Sir Roy McNulty's *Rail Value for Money Study - Interim Submission to the Secretary of State* published in September 2010.
- Government Office for the North West's *North West of England Plan Regional Spatial Strategy to 2021* published in September 2008.

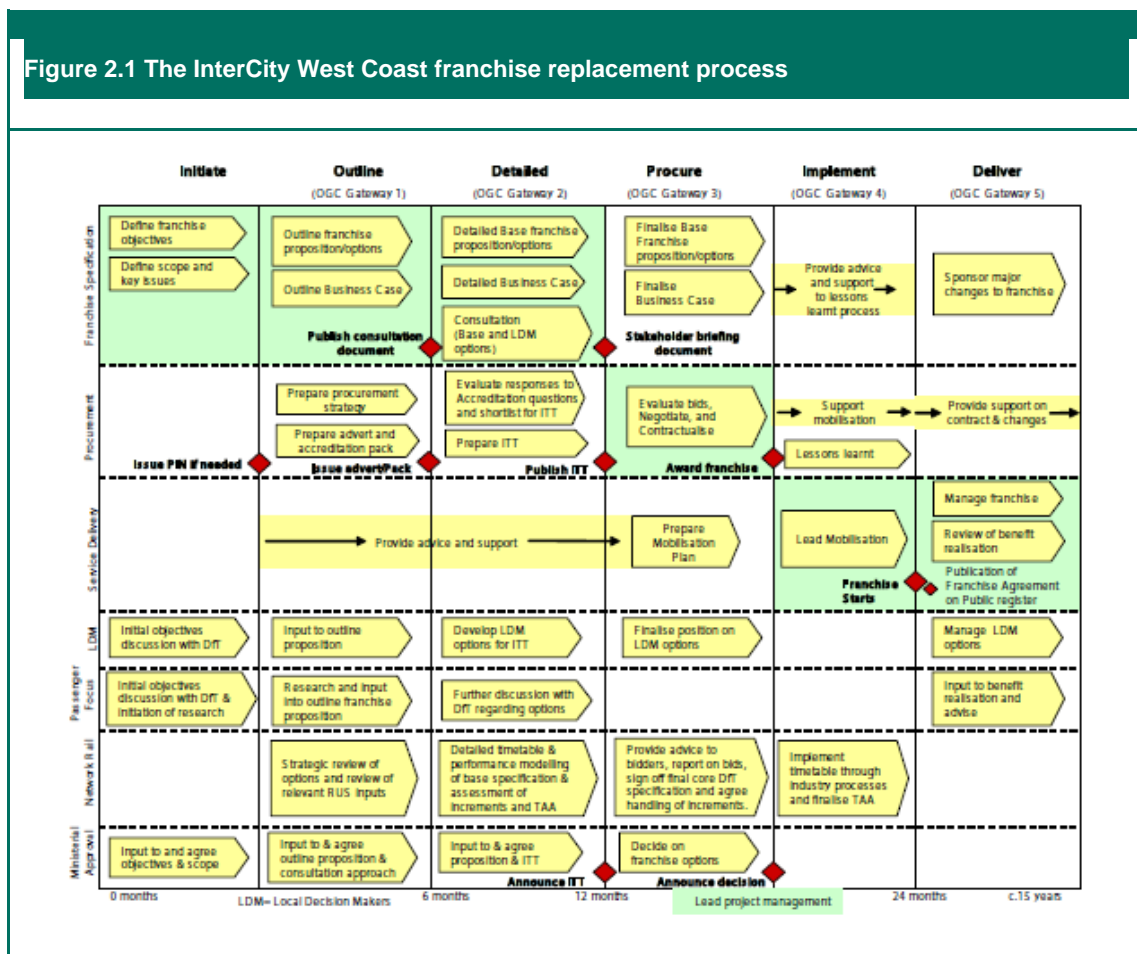
- Government Office for the West Midlands *Regional Spatial Strategy for the West Midlands* published in January 2008.
- Government Office for the South East's *South East Plan – Regional Spatial Strategy for the South East* published in May 2009.
- Scottish Executive's *Scottish Planning Assessment Part 1 and Part 2* published in August 2006
- Scottish Executive's *Scotland's Railways* published in December 2006
- Welsh Assembly Government's *One Wales: Connecting the Nation - The Wales Transport Strategy* published in April 2008
- Welsh Assembly Government's *National Transport Plan published in March 2010*
- Network Rail's *North West Route Utilisation Strategy* published in May 2007.
- Network Rail's *Lancashire and Cumbria Route Utilisation Strategy* published in August 2008.
- Network Rail's *Scotland Route Utilisation Strategy* published in March 2007.
- Network Rail's *Wales Route Utilisation Strategy* published in November 2008.
- Network Rail's *West Midlands & Chilterns Route Utilisation Strategy Scoping Document* published in July 2008.
- Network Rail's *West Coast Main Line Route Utilisation Strategy Scoping Document* published in December 2008.
- 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 June 2010.
- Network Rail's *Freight Route Utilisation Strategy* published in March 2007.
- Strategic Rail Authority's *West Coast Main Line Strategy* published in June 2003.
- 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.
- Transport for London's *Rail Freight Strategy* published in August 2007.

- Greater London Assembly *Alterations to the London Plan* published in February 2008.
- Mayor of London's *Transport Strategy* published in May 2010.
- Mayor of London's *The London Plan - Spatial Development Strategy for Greater London Consolidated with Alterations since 2004* published in February 2008.
- Olympic Delivery Authority's *Transport Plan for the London 2012 Olympic and Paralympic Games* published in October 2007.
- Chris Green and Sir Peter Hall's *Better Rail Stations* published in November 2009

2. Process and timescales

Figure 2.1 illustrates the franchise replacement process that the Department for Transport undertakes when procuring an operator to run a franchise. The process includes important inputs from Passenger Focus, Network Rail and other key stakeholders.

Figure 2.1 The InterCity West Coast franchise replacement process



The Department is now working through the Outline and Detailed Stages, which will be informed by stakeholder comments arising from this consultation.

The Department's initial view of the outline specification is described in Section 7 of this consultation document which also includes some options for consideration.

The specification seeks to identify changes from the current service proposition that would improve value for money for the taxpayer or address other franchise objectives within the affordability constraints of the Department.

For each change that is proposed, a Detailed Business Case will be required. This will set out the justification, Benefit–Cost Ratio (BCR) and Value for Money (VfM) of the proposed option in terms of economic and financial impact, based on a comparison with the continuation of the existing services. Together with comments received from respondents, this evaluation will inform the final specification, which will be issued in the Invitation to Tender (ITT). The specification may also be modified to reflect other emerging information, and respondents are invited to suggest alternative options that would reduce the net cost to the taxpayer.

A particular requirement prior to the release of an ITT intended for summer 2011 is the determination of whether there are any increments and/or decrements that potential funders would like to be included. If any emerge that satisfy the criteria contained in Section 6 of this document, these will be included as priced options within the ITT.

Over the coming months the ITT will be compiled. This document will provide the basis upon which bidders must submit their bids and needs to reflect accurately what the Department wishes to procure from the market, including elements that it may buy if affordable. Importantly, it will set out the basis upon which the bids will be judged.

It is expected that the bids will be returned in autumn 2011, with the successful bidder being announced in late 2011. The new franchise is expected to start on 1 April 2012.

3. The InterCity West Coast franchise

This section describes the operations that currently make up the InterCity West Coast Franchise. (Appendix 1 provides maps of the franchise area and the services operated.)

Current franchise

The franchise provides train services along the West Coast Main Line from Euston in the heart of London to Glasgow in Scotland. It serves the key cities of Birmingham, Liverpool, Manchester, Edinburgh and Glasgow as well as servicing the North of Wales to Holyhead. The main route from Euston to Glasgow is approximately 400 miles long, and the fastest timetabled journey time is 4 hours 8 minutes. The infrastructure is currently designed for a maximum speed limit of 125 mph, although the Pendolino trains that run on it are capable of a maximum speed of 140 mph.

The franchise operates over 300 train services per day, delivering over 26 million passenger journeys and 3.2 billion passenger miles per year and employing around 3000 staff.

The franchisee is Station Facility Owner (SFO) at the following 17 stations:

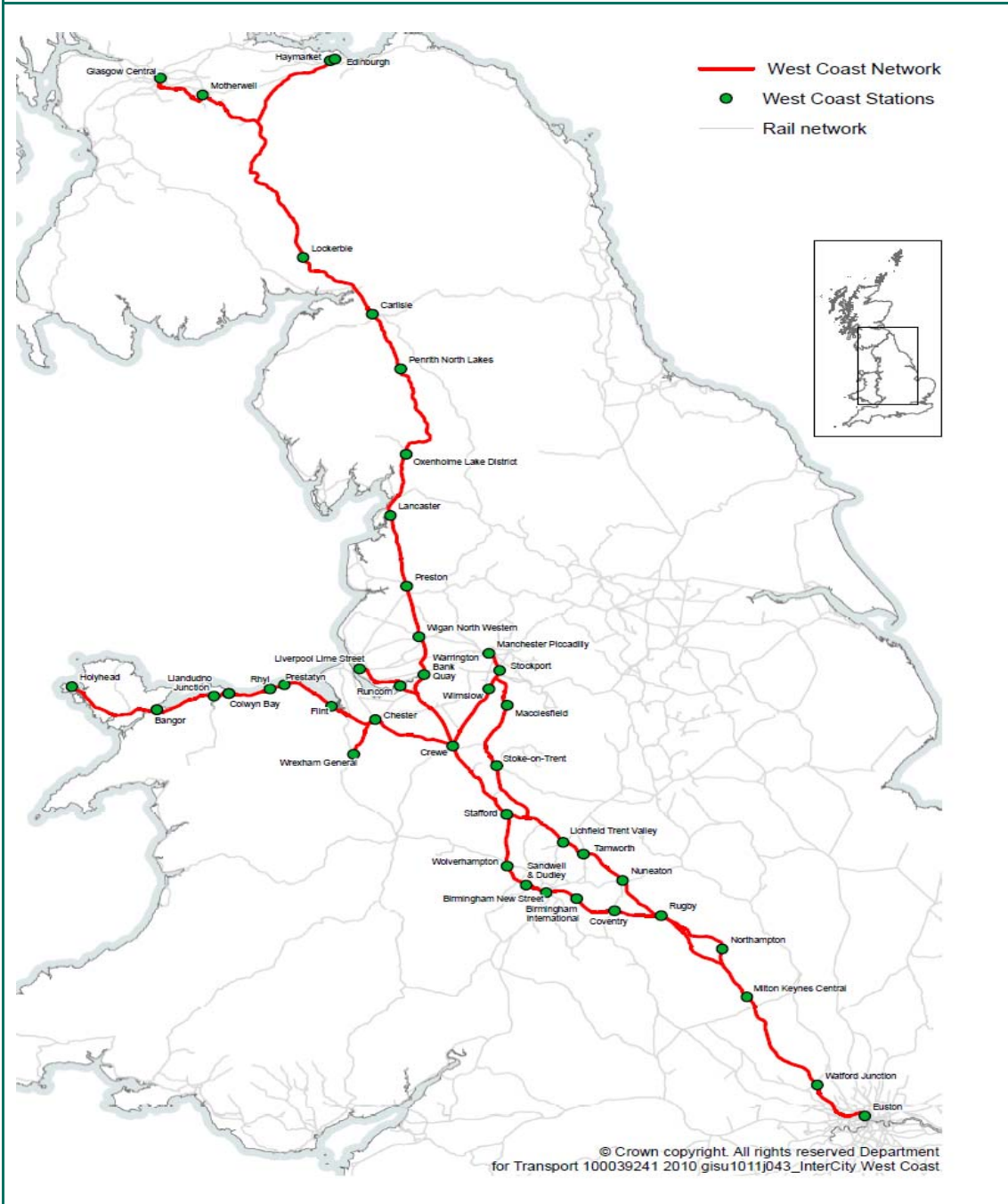
Table 3.1 SFO Stations		
Birmingham International	Carlisle	Coventry
Crewe	Lancaster	Macclesfield
Oxenholme Lake District	Penrith North Lakes	Preston
Rugby	Runcorn	Stafford
Stockport	Stoke-on-Trent	Warrington Bank Quay
Wigan North Western	Wolverhampton	

And also operates train services calling at a further 25 stations:

Table 3.2 Non SFO Stations		
Bangor	Birmingham New Street	Chester
Colwyn Bay	Flint	Glasgow Central
Haymarket	Holyhead	Llandudno Junction,
Lichfield Trent Valley	Liverpool Lime Street	Lockerbie
London Euston	Manchester Piccadilly	Milton Keynes Central
Motherwell	Northampton	Nuneaton
Prestatyn	Rhyl	Sandwell and Dudley
Tamworth	Watford Junction	Wrexham General
Wilmslow		

Figure 3.1 below depicts the route and stations served by the current InterCity West Coast franchise.

Figure 3.1 Current InterCity West Coast Route and Stations



The High Level Output Specification (HLOS) identified the need for additional carrying capacity on services into London to be delivered by lengthening some peak services to a maximum of 11 cars. In Control Period 4 (CP4), this included minor infrastructure works and additional rolling stock to allow some peak-service trains to be extended to the 11-car formation. The infrastructure works cover platform extensions at 5 stations where the TOC is SFO (Lancaster, Preston, Stoke-on-Trent, Warrington Bank Quay and Wolverhampton) along with 4 stations where it is not (Lichfield Trent Valley, Northampton, Watford Junction and Wilmslow).

All routes on the franchise network are configured with a minimum of 2 tracks, with some minor exceptions in North Wales. Four tracks exist between London and Rugby and much of the way between Rugby and Winsford and the approaches to Liverpool, Preston and Glasgow, and Stockport to Manchester Piccadilly. The line is electrified at 25kV AC via overhead line, except between Crewe and Holyhead.

The whole route, with the exception of the North Wales coast, is signalled with three or four aspect colour light signalling controlled from various Integrated Electronic Control Centres along the route. The route between Crewe and Holyhead is signalled through a mixture of powerbox and mechanical signalling.

In addition to routes from London to Scotland the franchise serves the following key cities:

- London Euston – Birmingham New St (113 miles, fastest timetabled journey time is 1 hour 11 minutes)
- London Euston – Liverpool Lime St (193 miles, fastest timetabled journey time is 2 hours 1 minute)
- London Euston – Manchester Piccadilly (184 miles, fastest timetabled journey time is 1 hour 58 minutes)
- London Euston – Holyhead (263 miles, fastest timetabled journey time is 3 hours 38 minutes)
- London Euston – Chester (179 miles, fastest timetabled journey time is 1 hour 58 minutes)
- Birmingham New St – Glasgow / Edinburgh (297 miles, fastest timetabled journey time is 4 hour 2 minutes)

Figure 3.2 Off Peak Service Pattern for Virgin Trains

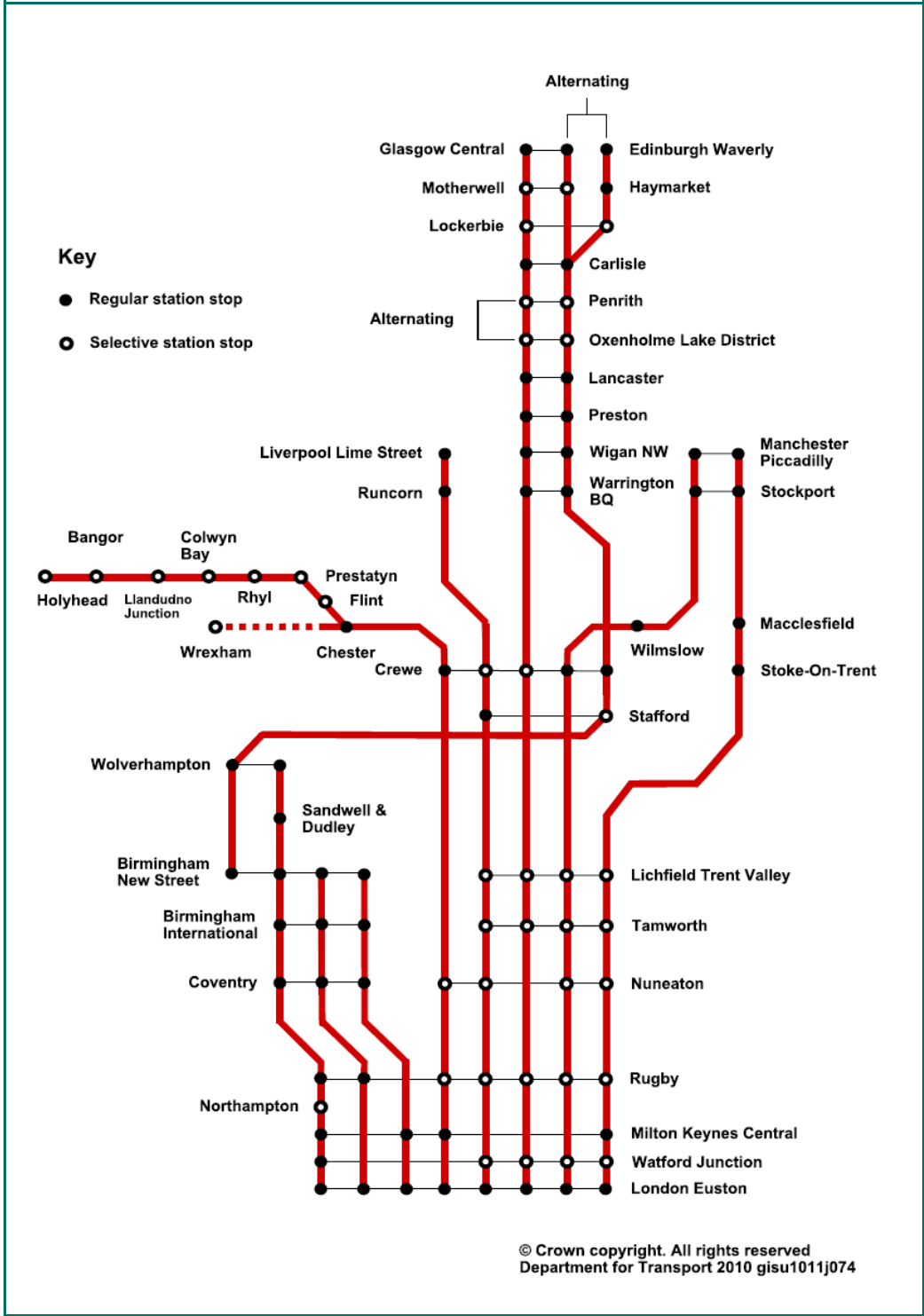


Figure 3.2 depicts the following standard hour off peak services from London Euston:

- 9 trains per hour from Euston with 1 train per hour to Glasgow,
- 3 trains per hour each to Birmingham & Manchester,
- 1 train per hour each to Chester & Liverpool.
- There are 13 trains per day travelling from London Euston to Glasgow and 6 trains per day to Holyhead.
- One train in each direction extends from Chester to Wrexham.
- In peak hours additional services run between London Euston and Liverpool and London Euston and Glasgow.
- A limited number of additional terminating services run to Preston, Lancaster and Carlisle.
- There are a number of diversionary routes, some of which are electrified, available to the franchisee to maintain services at times of disruption and engineering work.

The performance of the franchise has been improving, with the incumbents Public Performance Measure (PPM) measured as a Moving Annual Average (MAA) improving from 83.2% to 86.6% over the year to November 2010. The spring 2010 National Passenger Survey (NPS) conducted by Passenger Focus showed that 'Overall Satisfaction' had risen to 90% compared with 86% in spring 2009. This compares well against a long distance average of 87% and national average of 83%.

Competition exists with other TOCs along the route between:

- Scotland and London (competition with East Coast services running to Kings Cross and Scotrail sleeper services to Euston)
- Birmingham and London (competition with London Midland service running to Euston and Chiltern services running to Marylebone)
- Liverpool and London (competition with London Midland service running to/from Crewe)
- Manchester and London (competition with London Midland service running to/from Crewe)
- Holyhead and London (competition with Arriva Trains Wales service running to/from Crewe)
- Birmingham and Scotland (competition with Cross Country service) via the East Coast Main Line.

The West Coast Main Line is also the principal rail freight corridor linking the European mainland (via the Channel Tunnel) through London and south-east England to the West Midlands, north-west England and Scotland, and is one of the busiest freight routes in Europe.

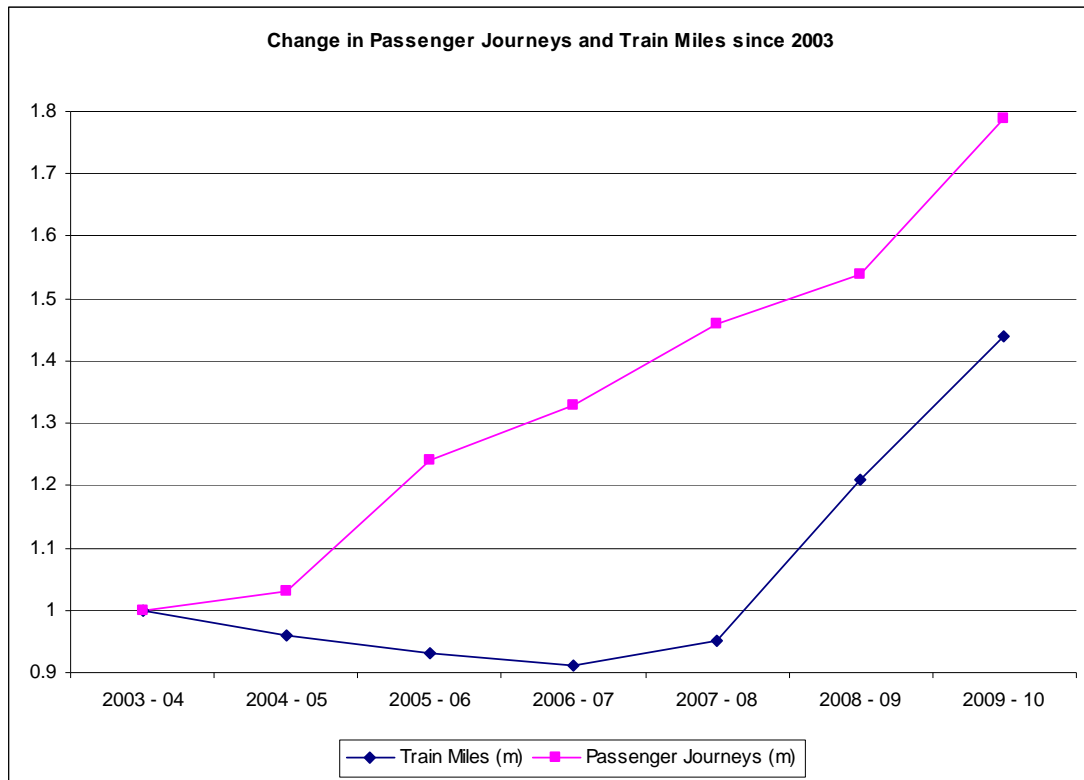
Demand, revenue and crowding

The specification of a franchise is underpinned by demand forecasts developed in accordance with DfT guidelines, using a forecasting framework based on standard rail industry models (*Passenger Demand Forecasting Handbook*, version 4.1 [PDFH4.1]). This allows a number of exogenous drivers to be modelled, as well as forecasting the effects of service quality and fare changes. The Department is currently considering the adoption of the variables contained in PDFH version 5.0 and may choose to adopt some of these during this franchising process.

Prior to the issue of the Invitation to Tender (ITT), the Department will prepare a revised set of forecasts to take account of the most recent changes in the base levels of passenger demand and forecasts of the variables that might influence future demand. These DfT forecasts will be used to assess the robustness of the bids submitted.

In 2009/10 InterCity West Coast collected over £720 million in revenue and was responsible for over 26 million passenger journeys. In recent years business has grown significantly and the franchise has seen revenue and passenger rates of growth increasing dramatically since 2008/9, helped by improvements in performance following the introduction of a high frequency timetable following the upgrade of the West Coast Main Line. Passenger growth has shown a continuous increase since 2003. Train miles reduced during the upgrade works due to the associated disruption that took place but have subsequently increased dramatically since the December 2008 timetable change. The effects of the volcanic ash clouds in 2010 and the associated aviation disruption have contributed to a considerable modal shift from air to rail.

Figure 3.3 Passenger growth on InterCity West Coast indexed since 2003



The franchise has responded to this change in demand by matching available rolling stock to those routes that are most crowded. In spite of this, crowding remains a problem on some services, especially those that depart central London on a Friday evening after 7pm.

A key aim of the new franchise will be to address the problem of crowding.

Train operators provide data on passenger numbers to the Department for Transport (DfT) and the current data will be given to bidders, who will be expected to use this to assess future train service patterns.

Table 3.3
Passengers numbers for Stations served by the InterCity West Coast Franchisee

Station Name	Station Facility Owner	0809 Entries & Exits	0708 Entries & Exits	% Change
Bangor (Gwynedd)	Arriva Trains Wales	550,714	564,158	-2
Birmingham International	Virgin Trains	4,122,370	2,576,096	60
Birmingham New Street	Network Rail	25,191,945	17,007,185	48
Carlisle	Virgin Trains	1,515,226	1,470,219	3
Chester	Arriva Trains Wales	2,829,358	2,607,835	8
Colwyn Bay	Arriva Trains Wales	271,044	261,585	4
Coventry	Virgin Trains	4,519,856	3,039,543	49
Crewe	Virgin Trains	1,954,478	1,900,155	3
Edinburgh	Network Rail	17,571,392	16,169,294	9
Flint	Arriva Trains Wales	218,678	219,174	0
Glasgow Central	Network Rail	27,584,344	21,657,992	27
Haymarket	First ScotRail	1,742,820	1,607,354	8
Holyhead	Arriva Trains Wales	184,628	209,053	-12
Lancaster	Virgin Trains	1,559,994	1,498,353	4
Lichfield Trent Valley	London Midland Trains	704,086	248,477	183
Liverpool Lime Street	Network Rail	10,833,012	4,338,760	150
Llandudno Junction	Arriva Trains Wales	280,834	267,695	5
Lockerbie	First ScotRail	133,720	112,789	19
London Euston	Network Rail	27,499,986	28,738,857	-4
Macclesfield	Virgin Trains	1,133,882	1,171,280	-3
Manchester Piccadilly	Network Rail	20,132,391	20,385,279	-1
Milton Keynes Central	London Midland Trains	4,551,538	4,690,023	-3
Motherwell	First ScotRail	1,536,450	1,096,637	40
Northampton	London Midland Trains	2,233,872	2,239,426	0

Nuneaton	London Midland Trains	814,970	706,972	15
Oxenholme Lake District	Virgin Trains	350,292	332,853	5
Penrith	Virgin Trains	359,160	340,543	5
Prestatyn	Arriva Trains Wales	320,632	283,099	13
Preston	Virgin Trains	3,725,832	3,646,720	2
Rhyl	Arriva Trains Wales	577,748	540,705	7
Rugby	Virgin Trains	1,248,816	1,160,481	8
Runcorn	Virgin Trains	460,768	442,065	4
Sandwell & Dudley	London Midland Trains	555,658	314,558	77
Stafford	Virgin Trains	1,493,852	1,250,054	20
Stockport	Virgin Trains	2,824,472	2,439,503	16
Stoke-On-Trent	Virgin Trains	1,727,358	1,701,409	2
Tamworth Low Level	London Midland Trains	798,986	782,032	2
Warrington Bank Quay	Virgin Trains	1,120,926	1,042,754	7
Watford Junction	London Midland Trains	3,557,882	4,445,087	-20
Wigan North Western	Virgin Trains	1,038,503	962,171	8
Wilmslow	Northern Rail	750,434	685,684	9
Wolverhampton	Virgin Trains	4,221,010	2,510,429	68
Wrexham General	Arriva Trains Wales	534,256	487,713	10

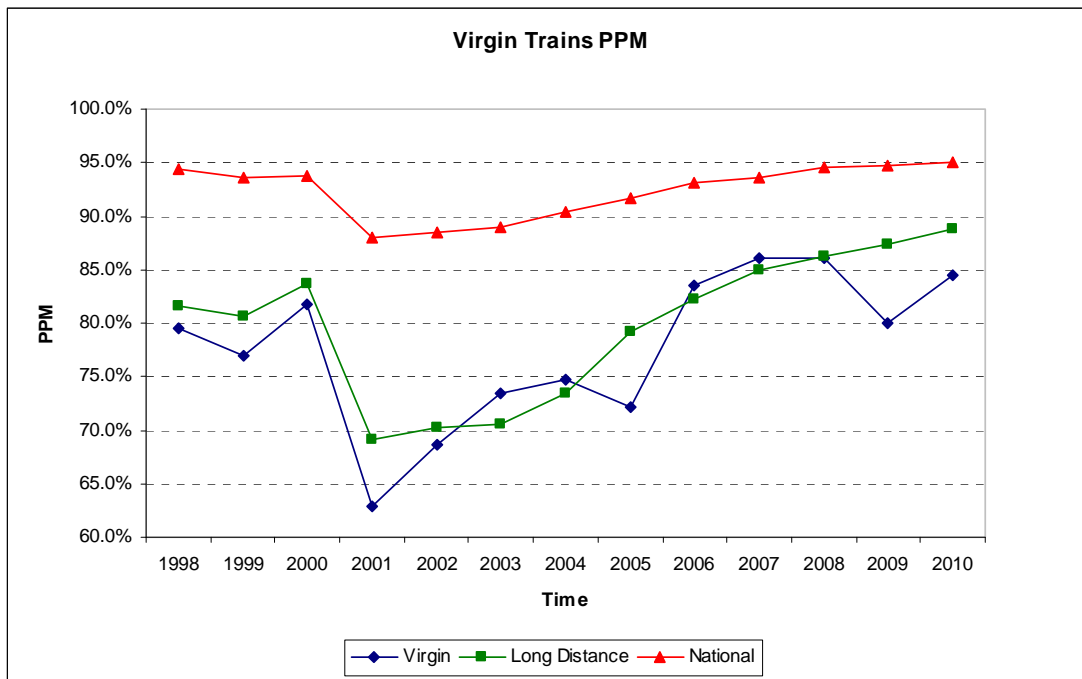
Reliability and performance

Table 3.4 and Figure 3.4 detail performance by Virgin Trains since 1998. The impact of the accident at Hatfield in 2000 can be clearly seen, together with the improvements in performance in recent years arising from the introduction of new rolling stock and infrastructure improvements along the West Coast Main Line. Post Hatfield, the performance of InterCity West Coast franchise has recovered significantly. This is in line with the experience seen elsewhere.

The Public Performance Measure (PPM) for Virgin Trains now above pre-Hatfield levels, with the current level at 84.6%, shows an improving trend. However, the PPM is not as high as achieved prior to the 2007 accident at Grayrigg or the response to the introduction of the high frequency timetable. In general, the performance of the franchise has been consistently below national average and more often than not, below the long distance operator average. It will be important that high levels of performance are delivered in the new franchise.

Table 3.4 Historic performance measures for Virgin Trains (MAA)			
Rail year	Virgin Trains PPM (%)	Long Distance PPM (%)	National PPM (%)
1998/99	79.5%	81.7%	94.4%
1999/00	77.0%	80.6%	93.6%
2000/01	81.7%	83.7%	93.7%
2001/02	62.8%	69.1%	88.1%
2002/03	68.7%	70.2%	88.6%
2003/04	73.5%	70.6%	89.0%
2004/05	74.8%	73.4%	90.3%
2005/06	72.1%	79.2%	91.7%
2006/07	83.5%	82.2%	93.1%
2007/08	86.0%	84.9%	93.6%
2008/09	86.2%	86.2%	94.5%
2009/10	80.0%	87.3%	94.8%
2010/11	84.6%	88.8%	95.1%

Figure 3.4 Historic performance measures for Virgin Trains (MAA)



Rolling stock and depots

In the last decade the franchise has benefited from the delivery of new trains. - the Class 390 Pendolino tilting trains which were ordered in 1997 for use on the West Coast Main Line and Class 221 Super Voyager trains which also have a tilting ability like the Pendolino. (These are mainly used on London – Chester and North Wales routes and services from Birmingham to Scotland on the West Coast Main Line). By December 2004 all of the rolling stock inherited from British Rail had been replaced with the new trains transforming the quality of service offered to passengers, allowing new services to be operated and helping generate increased levels of demand.

The franchise presently operates 21 Class 221 Super Voyager sets (18 5-car and 3 4-car sets), a single 10-car Mark 3 set (including a class 90 loco and DVT) and 52 9-car Pendolino sets (originally 53 however one of these trains was written off at Grayrigg in February 2007 following a derailment). A further 106 carriages are on order and will be used to make 4 new 11-car sets and extend 31 of the remaining 52 sets to 11-car formation with these vehicles planned to arrive at the start of the new franchise. In addition, the franchise also operates 12 Class 57 Diesel Locomotives which are stationed at strategic points along the line such as at Crewe and Preston to provide resilience at times of disruption and during planned engineering works. The core fleet has section 54 undertakings guaranteeing use of the Pendolinos until 2022 and of the Super Voyagers until 2016.

The 52 Class 390s are equipped with the facility for Selective Door Opening (SDO). They are capable of 140 mph running, but the infrastructure and service pattern constrain operation to 125 mph while the 21 Class 221s also have the facility for Selective Door Opening and a maximum speed of 125 mph.

The West Coast Main Line itself has been the subject of a massive £9bn refurbishment programme to allow the running of the new trains. The upgrade south of Manchester opened in September 2004, reducing journey times from London to Birmingham and Manchester. December 2005 saw the introduction of 125 mph running along most of the length of the line. The Crewe to Manchester line via Wilmslow was completed in summer 2006 and the quadrupling of the track in the Trent Valley along with remodelling of Nuneaton, Stafford, Rugby, Milton Keynes and Coventry stations was completed in late 2008.

December 2008 saw the final completion of the decade-long modernisation project. This allowed in 2009 the introduction of the VHF (Very High Frequency) timetable enabling a three-trains-per-hour service to both Birmingham and Manchester during off-peak periods and reducing journey times to Glasgow.

Additional upgrade works on the West Coast have recently been completed including the remodelling scheme to rationalise the layout around Bletchley station to increase the line speed.

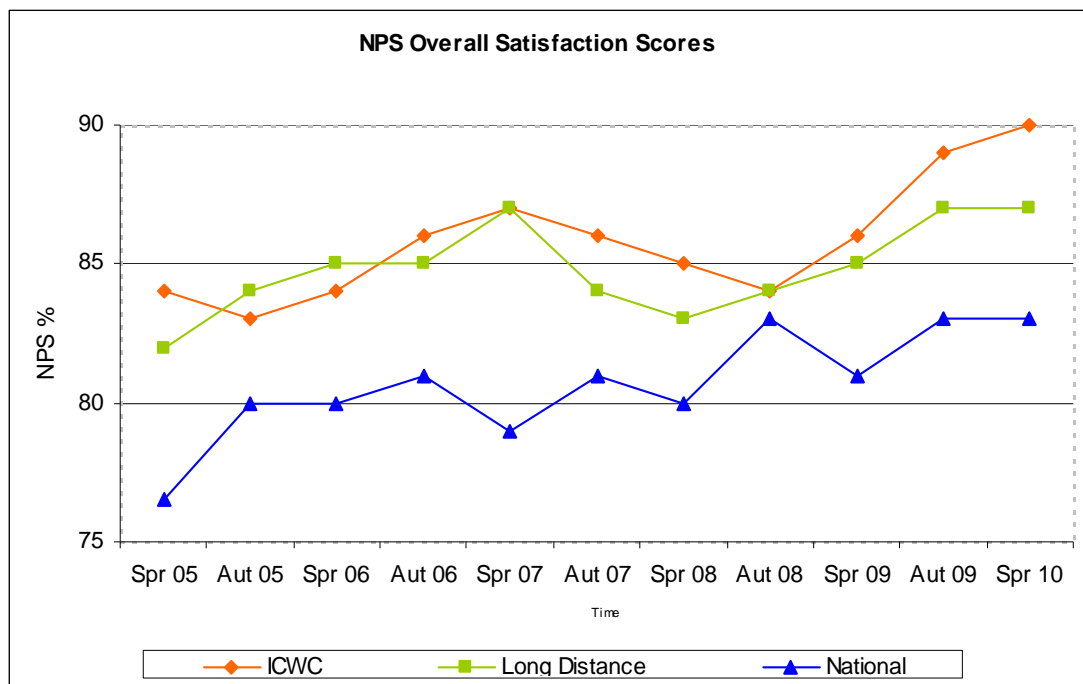
Full time table capacity has increased with the potential maximum of 22.09 million train miles in 2009 - 10 being 19.5% greater than the 18.48 million train miles available in 2008 - 09. The franchise provided 3.3 billion passenger miles in 2009 - 2010, an increase of 18% on 2008-09 which in turn achieved a 15% increase in passenger journeys over 2007-08.

The Pendolino fleet is allocated to the Alstom Traincare Centre at Longsight as is the Class 57 fleet. Some light maintenance and overnight stabling on the Class 390s is carried out at Wembley, Oxley, Edge Hill and Polmadie. The Class 221 Super Voyager fleet is allocated to Bombardier's Central Rivers depot, with some light maintenance at Holyhead.

Service quality

In recent years the current operator has improved the overall customer satisfaction as measured by the National Passenger Survey (NPS) (see Figure 3.5). There has been a steadily improving trend ever since autumn 2008 and overall satisfaction NPS is now 90%, above the Long Distance and National average.

Figure 3.5 NPS statistics: InterCity West Coast, Long Distance and National averages



Whilst these scores are good, areas for improvement can still be identified within the individual attributes measured by NPS.

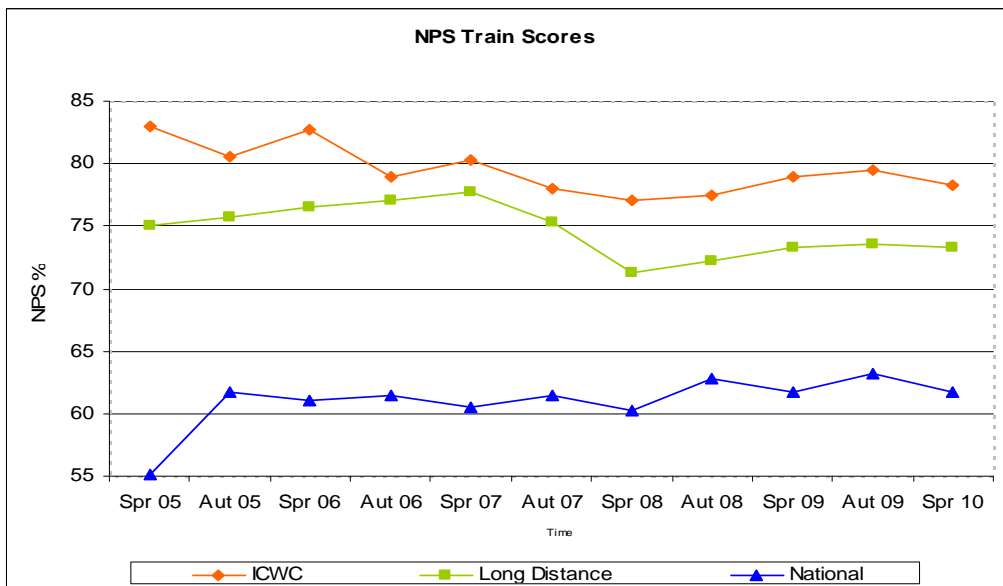
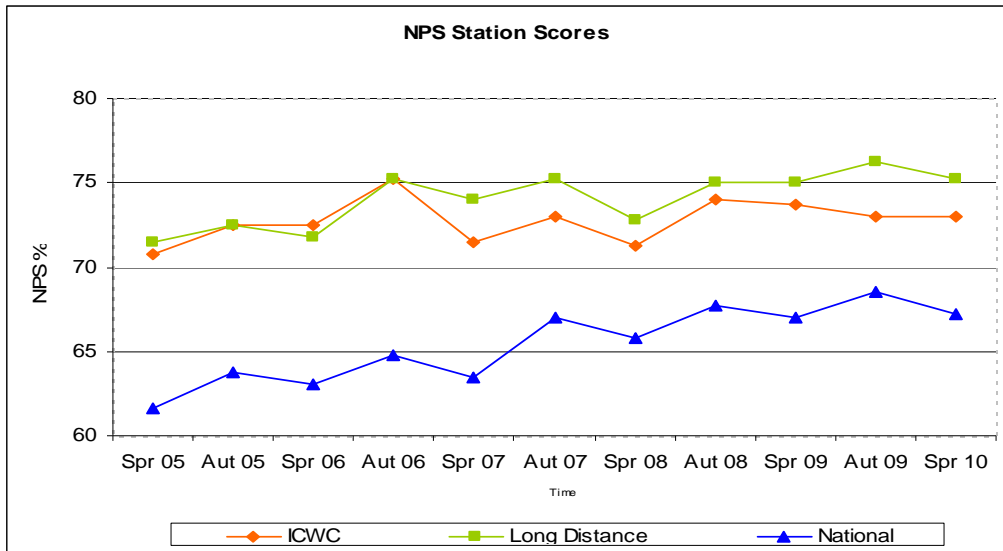
Table 3.5 Historic NPS attribute scores for Virgin Trains (MAA)

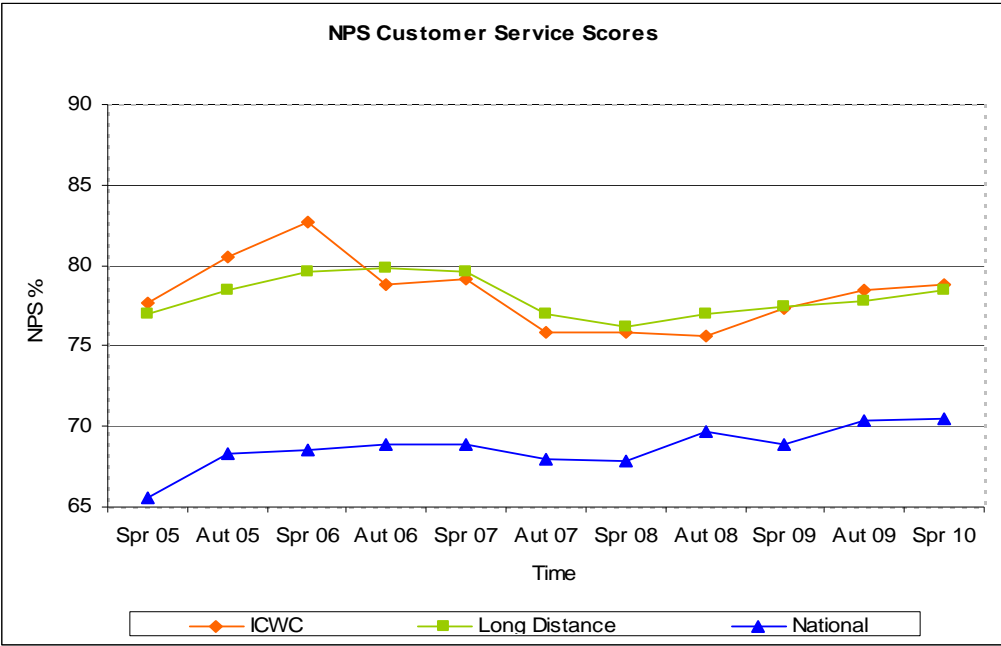
		Spr 05	Aut 05	Spr 06	Aut 06	Spr 07	Aut 07	Spr 08	Aut 08	Spr 09	Aut 09	Spr 10
Station	STATION - TICKET BUYING FACILITIES	76	79	77	78	75	79	78	82	81	79	81
	STATION - THE UPKEEP/ REPAIR OF THE STATION BUILDINGS/ PLATFORMS	66	68	68	74	70	70	67	69	70	69	67
	STATION – CLEANLINESS	72	74	74	77	74	73	72	75	74	74	74
	STATION - THE OVERALL ENVIRONMENT	69	69	71	72	67	70	68	70	70	70	70
	STATIONS	71	73	73	75	72	73	71	74	74	73	73
Trains	TRAIN - UP KEEP AND REPAIR OF THE TRAIN	93	90	92	93	93	92	90	90	90	88	89
	TRAIN - THE TOILET FACILITIES	67	63	69	52	55	50	50	50	56	58	56
	TRAIN - THE CLEANLINESS OF THE INSIDE	89	87	90	88	90	88	88	87	88	88	87
	TRAIN - THE CLEANLINESS OF THE OUTSIDE	83	82	80	83	83	82	80	83	82	84	81
	TRAINS	83	81	83	79	80	78	77	78	79	80	78
Custo mer Service	STATION - PROVISION OF INFORMATION ABOUT TRAIN TIMES/ PLATFORMS	79	81	82	84	87	86	85	82	87	85	87
	STATION - THE ATTITUDES AND HELPFULNESS OF THE STAFF	75	79	82	76	74	72	70	72	74	74	74
	STATION - THE AVAILABILITY OF STAFF AT THE STATION	64	71	73	68	67	58	58	62	61	63	61

	STATION - HOW REQUEST TO STATION STAFF WAS HANDLED	86	89	90	85	89	78	82	85	86	87	91
	TRAIN - THE PROVISION OF INFORMATION DURING THE JOURNEY	82	81	85	80	81	81	81	76	80	80	82
	TRAIN - THE HELPFULNESS AND ATTITUDE OF STAFF ON TRAIN	80	82	84	80	77	80	79	77	76	82	78
	CUSTOMER SERVICE	78	81	83	79	79	76	76	76	77	79	79
Total	OVERALL SATISFACTION	84	83	84	86	87	86	85	84	86	89	90

Table 3.5 shows the trends over the past five years for certain key attributes perceived to be within the train operators' control. In recent franchise competitions, targets have been set by the operator in relation to these attributes. These targets have been contractualised and failure to meet them has triggered a requirement to produce improvement plans with an agreed spending commitment. Previous franchises have also required operators monitor levels of service quality and ensure stations and trains are clean and maintained to a high standard. However, historically service quality provision has been left to the operator on InterCity services as competitive pressure and the incentive to increase customer patronage has been assumed to be sufficient.

Figure 3.6
National Passenger Survey statistics: InterCity West Coast and Long Distance and National key attributes





4. Objectives for the franchise

A key starting point for the development of the franchise specification, and associated business case, is the establishment of clear objectives for each franchise. Initial feasibility work, combined with the outputs of the HLOS, recent consultation on reforming rail franchising and subsequent review of the current franchise, identified eight key objectives that should be used to shape the franchise specification. These were subsequently endorsed by the Secretary of State.

- To exploit the full potential of the route and maximize capacity.
- To manage effectively the integration of new rolling stock vehicles.
- To improve overall passenger satisfaction.
- To deliver the agreed Olympic services.
- To improve accessibility to services and stations.
- To improve the environmental performance of the franchise.
- To manage effectively any changes during the franchise.
- To achieve sustainable value for money.

5. Franchise length

The Department has considered a number of options for the duration of the InterCity West Coast franchise. The Department's current thinking in relation to franchise length was set out in the document *Reforming Rail Franchising*, which was published in July 2010. As set out in that document, the Government believes longer franchises can deliver significant private investment in areas such as station improvements, better trains and the provision of a higher quality service.

Franchise length has to be considered in the context of other key features of the market and of contract design. These factors include an appropriate risk and reward mechanism, the level of detail in the specification, contractualisation arrangements to manage performance, operational risk management, the potential for changes to the required outputs during the life of a franchise and measures designed to encourage the delivery of better service quality for passengers.

Currently the Department considers that a core franchise term of 15 years is appropriate for most franchise competitions. However for each specific franchise competition, consideration should be given to major projects that are likely to have a significant impact on the franchise and consequently whether a different franchise length may be more appropriate in light of these factors.

The first phase of High Speed 2 (HS2) from London to Birmingham is currently planned to be operational from 2026. This may substantially abstract from the existing InterCity West Coast franchise and would necessitate fundamental changes to track access rights and through train connections with the north of England and Scotland.

These plans are still at an early stage and the Department intends to consult in February 2011 on the strategic roll-out of a high speed rail network and on the preferred route of the first leg between London and Birmingham. The Government's preferred option for high speed rail north of Birmingham will be for two separate corridors, one direct to Manchester and then connecting on to the West Coast Mainline, and the other via the East Midlands and South Yorkshire before connecting to the East Coast Mainline north of Leeds.

Bidders may therefore find it difficult to price within their proposals either the abstractive effect of the introduction of high speed services to Birmingham and beyond or the scope and nature of future timetable changes.

One of the most significant elements of the construction of HS2 will be the design and reconstruction of Euston Station. This is likely to take in the region of 7 years, and will probably start early in the HS2 construction programme. Although no certainty yet exists over the nature of the works to be undertaken, options may involve a phased approach, similar to that undertaken at the redevelopment of St. Pancras International. The intention would be to maintain as much platform capacity as practical at any time. The new franchisee will therefore need to work closely with the HS2 infrastructure provider and Network Rail to minimise the impacts of disruptive works at Euston.

Given these constraints, this franchise has been planned to end after 14 years on 31 March 2026, aligned to the significant changes that will be required for the introduction of HS2. This franchise duration would allow any future operator more certainty of the scope and effect of HS2. The Franchise contract will also be designed to allow for an extension of a further year at the Secretary of State's discretion, to allow the mitigation of any potential delays to major project work and certainty of scope for the subsequent franchise.

The contract will include provisions that would allow the Department to manage the performance of the operator and in a worst case scenario terminate the contract earlier.

Our conclusions on the design of any extensions will be published when the Invitation to Tender is issued.

6. Schemes, Stakeholders and other initiatives

The following may be delivered during the life of the InterCity West Coast franchise.

High Level Output Specification (HLOS) – longer trains

The HLOS for CP4 required enhancements to the capacity of services into London Euston and was published in the 2007 White Paper (Table 6.1).

Table 6.1 HLOS peak demand to be accommodated by end of CP4

London terminus	Peak three hours			High-peak hour		
	Forecast demand in 2008/09	Extra demand to be met by 2013/14	Maximum average load factor at end CP4 (%)	Forecast demand in 2008/09	Extra demand to be met by 2013/14	Maximum average load factor at end CP4 (%)
Euston	23,800	3,400	67	10,600	1,600	76

Network Rail's planned platform lengthening and the additional rolling stock procured will allow delivery of these HLOS metrics. Network Rail is currently conducting a Route Utilisation Strategy (RUS) analysis for the West Coast Main Line. Having published its scoping document in December 2008, it is conducting gap analysis and published a draft proposal to improve Network Utilisation in December 2010.

Works are planned by Network Rail to facilitate the lengthened Pendolinos including platform lengthening at 5 stations where the TOC is SFO (Lancaster, Preston, Stoke-on-Trent, Warrington Bank Quay and Wolverhampton) along with 4 stations where it is not (Lichfield Trent Valley, Northampton, Watford Junction and Wilmslow). The table below details the platforms at stations that will not be able to accommodate 11 car trains without Selective Door Opening (SDO). It should be noted that not all platforms on the route will be extended to accept 11-car formations. The entire Pendolino and Super Voyager fleets are capable of Selective Door Opening (SDO).

Table 6.2 Planned Balise Installation				
Station	Platform	Usage	Bi directional?	Balise requirements
Coventry	4	Infrequent	Yes	8
Haymarket	3	Infrequent	No	2
Haymarket	4	Infrequent	No	2
Rugby	6	Infrequent	Yes	8
Wilmslow	2	Infrequent	Yes	8

The lengthening of platforms across the franchise area will lead to some minor disruption whilst work is carried out. This work is currently planned to start during the existing franchise period, with completion taking place during the first year of the new franchise. Bidders will be asked to define clearly how they will manage this and other disruption, how they plan to provide detailed up-to-date and easy to understand information to passengers and how they will ensure that replacement bus services (where required) are of a high quality are accessible and well managed.

While the vehicle production process has been contracted and commenced within the existing franchise for the 106 additional Pendolino vehicles described in *Rolling Stock* section above, the delivery and commissioning of the majority of the new rolling stock will have to be managed within the new franchise.

The programme timings for the introduction of the four entirely new 11 car trains and for the integration of additional carriages in existing trains are driven by slightly different factors.

The first of the new trains is required to be proven and accepted into service by July 2011. This train will then be available for sub-leasing by Virgin Rail Projects Limited (VRPL), which is the Department's contracted agent for managing the new train introduction and for facilitating their acceptance and any necessary Network Rail route changes. The second train is to be delivered to provide cover for the Pendolino major overhaul (H3) programme and for the train lengthening project. The third and fourth trains have planned deliveries in late 2012. All four are expected to be deployed within the December 2012 West Coast timetable.

Following the production of the first two new trains, which should be complete by late 2011, the manufacturer then plans to concentrate on producing the 31 pairs of new vehicles to lengthen the 9-car trains to 11-car trains. These 62 vehicles will be brought to the UK from the factory in Italy and held at Alstom's Liverpool depot to feed an integrated programme which comprises the major overhauls on the existing fleet and the insertion of the additional two vehicles. There is planned to be a small advance stock of vehicles at Liverpool ahead of the commencement of the overhauls and insertion programme because the production capability of the factory does not match the one set per week planned output of the overhauls and integration programme.

The insertion of the vehicles into fixed formation trains requires careful integration within the 'H3' programme and is programmed to commence from April 2012. The H3 programme constitutes a very heavy overhaul of the Pendolino stock and is mileage related. This means that many worn out or time expired components of the existing trains are replaced with new parts. To avoid waste, it is important that all the maintenance cycles of existing trains are correctly phased to allow the optimal integration of the new vehicles. To insert the new vehicles earlier than the H3 overhaul programme would require each train to be out of service twice, once for insertion and integration and once again for the overhauls. This would not represent the best option in terms of value for money or passenger convenience.

In the past, such major overhauls might have taken several weeks at a main workshop. However, because of the importance of making maximum use of the Pendolinos, a complex depot based programme, along the lines of a car assembly line has been developed, lasting one week for each train.

It is planned that there will be 13 or 14 sets operational as 11-car trains by the start of the Olympics and these would provide sufficient capacity for the new franchisee to convert some of the key London services to 11-car operation.

It is planned that during the summer of 2012 the Department will publish the next HLOS to propose the outputs required from the rail industry for control period 5.

Respondents are encouraged to consider any specific local factors that they believe might influence the future level of passenger demand.

Birmingham New Street redevelopment project

Birmingham New Street Station is used by over twenty five million passengers a year and has long suffered from overcrowding, poor design and difficult access for passengers. In particular it suffers from dark and unwelcoming platforms with little natural light and very poor vertical access between the platforms and the concourse level.

Over £600m is being spent on the Birmingham Gateway Project. This is designed to comprehensively renovate and improve Birmingham New Street Station. Enabling works began in September 2009 with major construction works commencing in April 2010. This scheme represents a re-development of the station and will deliver significant benefits to the travelling public and the residents of Birmingham. Improvements will include a 150% increase in passenger capacity in the concourse (which will have natural daylight for the first time) better interchange with other transport modes, pedestrian access to/from/in the station for all users, an improvement in station facilities with new passenger information systems, a new ticket office and ticket gating, larger waiting areas, enhanced safety and security systems and more toilets. The project will improve platform capacity and address the issue of vertical access from the concourse to platforms provided by 14 new lifts and 42 new escalators and provide additional retail space.

This work should be completed early in the next franchise period. When complete, this scheme will allow more demand to be serviced through the station at peak times.

The London 2012 Olympic and Paralympic Games

The London Olympic Games take place from 27 July to 12 August 2012 and the Paralympic Games from 29 August to 9 September 2012.

The Olympic Delivery Authority (ODA) needs reliable and accessible transport for 500,000 spectators daily from across the UK and overseas. 50,000 athletes, officials and media also need to be delivered to the relevant events.

The new franchise will provide important transport facilities during the period of the Olympic and Paralympic Games, carrying large numbers of passengers to and from London Euston for interchange access to and from the Olympic Park and to the three venues outside London which are to be used for the Olympic football competitions. These are; Glasgow (Hampden Park), Manchester (Old Trafford) and Coventry (City of Coventry Stadium).

This franchise will commence in April 2012, leaving only limited time for planning before the Olympic Games begin in July 2012. An Olympic Services Delivery Plan has provisionally been agreed for the franchise and this can easily be implemented by the new franchisee. Between now and the publication of the ITT the existing operator will be working with the ODA to finalise the detailed specification for the Olympic period. These details will be shared with all bidders. Bidders for the new franchise will have to demonstrate how they will manage matters during mobilisation to ensure the Olympic Services Delivery Plan is implemented smoothly and demonstrate how any last minute changes to requirements will be efficiently managed.

Against this background, it is vital that the new franchisee co-operates with the ODA in respect of arrangements for the Games.

The franchisee will be required to work closely with the ODA and relevant local authorities to finalise and deliver the public transport requirements for the period of both events.

High Speed 2

In January 2009, the previous Government established High Speed Two Ltd (HS2 Ltd) to consider the options for a new high speed rail network in Britain and the Coalition Agreement of the current Government promised to establish in phases a high speed rail network.

HS2 Ltd's report was presented to the then Secretary of State at the end of December 2009 and this was published in March 2010 alongside a Government Command Paper. The report set out detailed recommendations for its route, together with a range of options for how it may be extended to serve other conurbations. These proposals were evaluated in respect of the costs and economic benefits of enhancing capacity and connectivity in a sustainable way and compared to options for enhancing existing rail and road networks.

Since the election, further work has been undertaken by HS2 Ltd to refine its recommended route as well as on options for direct high speed rail links to Heathrow and to the Channel Tunnel via the existing HS1 line.

On 20 December 2010, the Secretary of State announced the Government's proposed high speed rail package for public consultation. This is for a high speed network which would link London to Birmingham, Manchester and Leeds through a "Y" shaped network approximately 350 miles long and capable of carrying trains travelling at speeds of up to 250 miles per hour. This network would be delivered in two phases: the first a high speed rail route running from London to the West Midlands and the second the onward legs to Manchester and Leeds.

The initial phase of this network would provide Birmingham to London journey times of around 49 minutes. A connection to the West Coast Main Line would be provided close to Lichfield so that direct high speed train services could also be operated to other cities not directly served by high speed tracks such as Manchester, Liverpool and Glasgow, reducing journey times to those destinations by up to half an hour. Substantial line capacity on the southern stretches of the West Coast Main Line would also be released by transferring long-distance services to this high speed route, which could be used to expand commuter, regional and freight services. The recommended route for HS2 is that it would run from a rebuilt Euston station in London to a new Birmingham City Centre station at Curzon/Fazeley Street. Additional interchanges would be provided with Crossrail, Heathrow Express and the GWML at Old Oak Common and with the WCML, motorway network and Birmingham Airport close to the NEC.

The completion of the second phase of the proposed network would further reduce journey times from London to Manchester and Scotland, as well as enabling direct high speed services to Leeds via the East Midlands and South Yorkshire. This would bring both Manchester and Leeds to within around 80 minutes of London, and to within around 40 and 65 minutes of Birmingham respectively. Connections to the East Coast, West Coast and Midland Main Lines could further increase the benefits from released capacity on the existing rail network.

With regard to links to international gateways, the Government proposes that a link to the HS1 line should be constructed as part of the first phase of the network, and a direct link to Heathrow should form part of the second phase, opening at the same time as the routes to Manchester and Leeds. Prior to the opening of the second phase, high speed rail travellers would be able to link to the airport by connecting to the Heathrow Express at Old Oak Common.

The Government's expectation is that, subject to public consultation and Parliamentary approval, the first phase of the network could open from 2026, with the second phase opening in the mid-2030s.

A full public consultation is expected to begin in February 2011 covering both the Government's overall strategy for high speed rail and its preferred route for the initial London-West Midlands phase. The Government's preferred route for the initial phase of the network broadly follows the route option recommended by HS2 Ltd in its March report, but with significant amendments to both the vertical and horizontal alignment, and to the proposed mitigation measures. These have been published on the Department's website: in total, around 50% of the route proposal published in March has been amended in some respect. When the consultation is launched a revised business case will be published alongside a full appraisal of sustainability, noise contour maps and route visualisations, all of which can only be completed now that the final preferred route for consultation has been determined.

Work to develop detailed route proposals for the second phase to Manchester and Leeds is currently being taken forward by HS2 Ltd with a view to public consultation later in this Parliament.

Subject to the outcome of the consultation it is likely that the first phase of High Speed 2 would fundamentally alter the nature of the InterCity West Coast franchise once operational. It would substantially abstract from the existing InterCity West Coast franchise and necessitate significant changes to track access rights and through train connections with the north of England and Scotland. Additionally, it is likely that major construction work will be needed at Euston station to enable the new high speed rail lines to be incorporated into the revamped station building. The phasing of any such works will only be decided after the consultation, but the new franchisee would need to be prepared for the possibility of some disruption to both services and the station concourse interchange during the next franchise.

The new franchisee will therefore be required to work closely with HS2 Ltd and Network Rail during the planning, construction and commissioning of any new railway.

Bidders may find it difficult to price within their proposals either the inclusion of or abstractive effect of the introduction of high speed services at this stage.

Respondents are encouraged to consider issues arising from the planned development of HS2 - particularly in that the bidding community may find it difficult to price within their proposals the effects of either the introduction of a new service pattern or its abstractive effect at this stage.

Other schemes

The Department is aware of committed schemes that are currently included in the Network Rail Control Period 4 Strategic Business Plan which will affect the InterCity West Coast franchise. Bidders will need to include such committed schemes within their plans for the franchise area. (Further details can be found on the Network Rail website).

The Department is aware of a number of schemes that are being considered for delivery within the life of the new franchise. If these are delivered, standard industry processes would be used to progress them.

Bidders will be encouraged to work with third-party promoters to develop the feasibility of such projects, and respondents to this consultation are encouraged to highlight other schemes that they believe have a strong case for inclusion within the franchise.

Electrification

The Department supports rail electrification where a good business case exists and where it is affordable. Electrification helps to reduce carbon emissions and cut running costs. Electric trains are generally cheaper to buy, operate and maintain than diesels. They are typically cleaner, quieter and more reliable as well as providing faster journey times.

In 2010 the electrification of the route between Liverpool and Manchester via Newton-le-Willows was confirmed. This will allow electric trains to run between Liverpool and Manchester, as well as enabling electric trains to run from Manchester to Scotland via the West Coast Main Line.

Electrification of three other stretches of track in the North West was also confirmed, allowing electric trains to operate on the Liverpool – Preston – Blackpool and Manchester – Preston – Blackpool routes. The total cost of electrifying all these routes is estimated to be £300m.

The comprehensive spending review statement in October 2010 announced that the Preston – Manchester Piccadilly (via Bolton) route is planned to be electrified by 2016.

These electrification proposals will create opportunities for new electric services to be introduced which will improve capacity and connectivity, as well as improving environmental performance and providing new diversionary routes.

It should also be noted that the Crewe – Holyhead route is the only part of the franchise area that is not electrified. There are currently no plans to electrify the route between Crewe and Holyhead.

Northern Hub

The “Northern Hub” proposal would involve a number of upgrades to the network of lines in and around Manchester, with the aim of improving rail services across much of the north of England. Fourteen railway lines converge on Manchester and the junctions and stations where they meet create a significant bottleneck which has a significant impact on the capacity of the network and the operation of the services throughout a wide area of the north of England.

Network Rail’s preferred scheme involves making more intensive use of existing infrastructure and the creation of a new section of railway west of Manchester city centre (this is known as the Ordsall Curve). This would allow trains to travel between Manchester Victoria and Manchester Piccadilly stations and beyond to Manchester Airport, thereby relieving significant congestion pinch points. New through platforms at Manchester Piccadilly would be built allowing more trains to cross Manchester. This would ease the congestion at the two existing through platforms (13 and 14). Further major improvements are also proposed for Manchester Victoria station, to allow many more services to use the station, and to provide improved facilities for passengers. An additional platform is envisaged for Manchester Airport station.

Some disruption may therefore occur at Manchester Piccadilly during the next franchise if this scheme is funded and progressed.

West Coast Power Supply Upgrade

This project involves power supply renewals and an upgrade of the traction power supply across the busier parts of the West Coast Main Line route. It includes modifications and alterations to various electricity supply connection points, provision of new 25kV conductors along with other renewals and improvements to the overall system.

The work is due to be completed during CP4 and CP5. The power supply upgrade is a key project and essential to provide for the planned future growth of traffic on the route, and must be successfully implemented before additional electric services can be accommodated.

Bletchley re-modelling

The primary objectives of this project are to deliver capacity enhancements by June 2013 that will contribute to the delivery of the current HLOS programme. Improvements include the renewal of life expired signalling and track assets, transfer of signalling control from Bletchley to Rugby Signalling Control Centre, provision of 12-car capability on Platforms 4 and 5 of Bletchley station, provision of a bi-directional freight loop to accommodate 775m train length, a new higher speed Bletchley South Junction at Drayton Road and capability for extending Bedford-Bletchley services to Milton Keynes Central.

Development of Stafford area remodelling

Enhancements which are being developed as part of the Stafford Area Improvement project include a new grade separated junction at Norton Bridge, a new freight loop at Stafford, speed enhancements at Trent Valley and Doxey Junctions (near Stafford station) and speed improvements on the slow lines between Doxey Junction and Norton Bridge. The enhancements in the Stafford station area need to be delivered in conjunction with a renewals scheme in the area. The project is necessary for both freight and passenger capacity and is currently expected to be completed by December 2017, subject to necessary permissions.

Coventry station

The Department has received a major scheme business case for enhancements to the Coventry – Nuneaton service. This includes a new 6 car bay platform on the north side of Coventry station. In addition the proposal includes two new stations at Ricoh Arena and Bermuda Park and a doubling of the frequency from hourly to half-hourly. This scheme is in the pre-qualification pool of local major transport schemes with an initial decision planned by the end of January 2011 and final decision expected at the end of 2011.

There is also a proposal called 'Connecting Coventry' being promoted by Coventry City Council which involves improving access to Coventry station in association with a major development at Friargate.

The Department does not believe that this scheme has reached a sufficient level of development or sufficiently demonstrated its feasibility to be included as a committed scheme at this stage. If a satisfactory business case and funding package to cover both the capital costs and likely additional subsidy incurred by the operation of this enhanced station can be developed during the life of the franchise, existing industry processes such as the change mechanism within the franchise agreement could be used to facilitate the delivery of the scheme.

Bidders will be expected to engage with the City Council on this proposal and set out in their bid how they would approach working with the City Council to bring such a project to fruition.

Nuneaton North Chord

The new single line chord at Nuneaton will allow trains using the existing flyover from Nuneaton South Junction to directly access the West Coast Main Line on the down slow line for flows going northwards. This will allow trains to cross the West Coast Main Line without disrupting the four main running lines and is vital for freight growth.

Re-signalling programme

A signalling renewals programme is planned for parts of the West Coast Main Line to provide a number of enhancements through schemes at Northampton, Watford, Crewe, Carlisle, Warrington and Preston. Further options may exist for works to be conducted in CP5 at Allerton and Speke, Macclesfield, Carlisle and Motherwell.

West Coast Main Line Freight

Rail freight has become an important driver of UK economic growth and the Department recognises that efficient and sustainable freight transport is increasingly important to the achievement of our environmental goals and for the growth of the UK's national and regional economies. Freight operators are significant users of the West Coast Main Line (WCML), with some 40% of all daily freight services using the WCML at some point in their journey. The franchise area contains the following freight only lines, terminals and sidings (including those on the branches to Stoke-on-Trent, Liverpool and Manchester):

Freight only lines

- Up and Down Willesden Relief Lines
- Up and Down High Level Goods Line, Willesden
- Crewe Independent Lines

- Bamfurlong Goods Lines
- Up and Down Goods Lines, Carlisle Upperby

Terminals and Sidings

- Euro Terminal, Willesden
- Brent Sidings, Willesden
- Princess Royal Distribution Centre, Willesden
- European Freight Operating Centre, Wembley
- RMC Aggregates Siding, Bletchley
- Lafarge Aggregates Siding, Northampton
- Castle Yard, Northampton
- Daventry International Freight Terminal (DIRFT)
- Engineers' Siding, New Bilton
- DBS Intermodal Terminal, Rugby
- Royal Mail Terminal, Stafford
- Imerys Sidings, Stoke-on-Trent
- DBS Freight Depot, Longport
- Basford Hall Yard, Crewe
- Ineos Chlor Siding, Runcorn
- O'Connor Intermodal Terminal, Ditton
- Ford Motor Company, Halewood
- Freightliner Terminal, Garston
- Trafford Park Complex (DBS and Freightliner), Manchester
- Walton Old Jn Sidings, Warrington
- Arpley Yard, Warrington
- DBS Freight Depot, Dallam
- Royal Mail Terminal, Dallam
- Kelbit Sidings, Golbourne
- Total Terminal, Preston Docks
- RMC Quarry, Shap Summit,
- Corus Quarry, Hardendale (Shap)

- Hanson Quarry, Harrisons (Shap)
- Kingmoor Yard, Carlisle
- MoD Longtown, Mossband Jn. (Carlisle)

Potential bidders should be aware that Daventry International Rail Freight Terminal has planning consent for expansion which includes a new intermodal terminal and further rail connected warehousing for more storage and distribution facilities. The expansion would include the extension of private rail sidings and the creation of a rail port. A significant multi-modal freight interchange at Port Salford, Manchester has also been granted planning consent (late 2009) and this may result in further demand for freight paths on the WCML. Currently the West Coast Main Line has between 56 and 79 freight paths per day in each direction, dependent on route section. The latest industry forecasts (unconstrained) suggest that between 79 and 101 paths per day (depending on route) in each direction may be required by 2030.

Global System for Mobile Communications (GSM-R)

Network Rail is replacing the existing legacy radio systems with GSM-R and will use the Network Change process to administer the replacement of all train radios across the national fleet. This replacement is necessary as the frequencies on which some of the current radio systems operate will no longer be available from 2012.

The entire Pendolino fleet is already fitted with GSM-R capability. The Super Voyager fleet is expected to be capable of running the GSM-R system by the start of the new franchise. Bidders will be required to work co-operatively with Network Rail in order to ensure an efficient changeover to the GSM-R system.

Exact plans for the infrastructure availability of GSM-R on the West Coast Main Line route are still being finalised.

The Department is considering whether bidders will be required to include a price for the supply and installation of GSM-R to any non equipped or proposed InterCity West Coast rolling stock to include:

- fitment costs;
- those costs associated with the training of staff in the use and maintenance of the GSM-R equipment;
- costs associated with any approvals; and
- costs associated with the removal/making good of the legacy radio systems.

Alternatively, should the changeover to GSM-R have not been completed prior to the new franchise commencing, the Department will consider asking bidders to honour any on-going Network Change operational commitments and costs.

We would welcome comments on what the most important investment priorities should be for the franchise and respondents are asked to highlight any other schemes that are likely to be delivered during the life of the next franchise. We also welcome proposals for alternative approaches on these and other priorities to enable them to be achieved at a reduced cost.

Additional proposals and schemes promoted by third parties

Schemes funded within the CP4 High Level Output Specification are the only schemes that are currently included within the base specification. Network Rail's Enhancement Plan for Control Period 4 (2009–2014) has now been agreed by the Office of Rail Regulation (ORR), and the Department has assumed that the outputs specified within the CP4 High Level Output Specification and detailed within Network Rail Strategic Business Plan will be delivered, as required by the ORR.

In addition to the base case specification, bidders may be asked to submit proposals for a number of priced options. These options, usually promoted by local authorities, could involve the provision of additional services or in certain circumstances a reduction in the level of service proposed by the Department.

These increments or decrements will be schemes that funders have requested be included and both funders and the DfT believe are deliverable and demonstrate good value for money and can be funded by the promoters concerned for at least an initial three year period after which the increment may either become commercial, be withdrawn, be funded by DfT or continue to be funded by the promoter (see Conditions Relating to the Funding of new or Enhanced Services Promoted by Local Bodies – <http://www.dft.gov.uk/pgr/rail/strategyfinance/revisedpolicyfunding>.)

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).

Respondents who wish to pursue increments or decrements should make these clear in their response to this consultation. Further information on the Department's requirements for increments/decrements can be made available on request.

Investment opportunities

The Department is considering ways in which bidders take a longer term perspective and propose additional options to provide long term investment in the rail network, building on the long term value of the franchise whilst also delivering the objectives set out in Section 4 of this document.

Such enhancements will be expected to be both commercially viable and deliver benefits to passengers. Bidders will be expected to assure the Department that such enhancements increase the value of the franchise and that they are maintained in a good condition for the next franchisee.

It is proposed that a mechanism be created to account for the long term residual value of such investments if these carry on beyond the franchise end date in order to reward operators for investment with a pay back period longer than their franchise term, by guaranteeing a value for those assets at the end of the franchise.

Franchising remapping

The Department from time to time considers the overall franchise map and looks at synergies between franchise areas as part of the refranchising process. The Department may require bidders to price options allowing for either existing services to be transferred into other franchises or subsuming within the InterCity West Coast franchise the running of services currently operated by other franchisees. In either of these scenarios fuller details of the nature and timing of any changes will be provided in the Invitation to Tender.

Stakeholders are asked to highlight any amendments to service providers that they would like to propose as part of a remapping exercise.

Passenger Transport Executives and Local Transport Authorities

Passenger Transport Executives (PTE) have an important statutory role in the planning of public transport including railway functions under section 13 of the Railways Act 2005. The Secretary of State must consult the PTE for an area before issuing an invitation to tender for certain franchise agreements. It is essential that, as far as practical, all public transport operators work together to try to provide a more seamless travel experience for the passenger.

All PTE and Local Transport Authorities (LTA) have the ability to specify a number of increments or decrements to the Department's base specification. Where these require additional funding the PTE/LTA will be required to provide this, but where savings are made the PTE/LTA is able to keep these savings. Over the coming months the Department will continue to work with the PTE/LTA as we consider the specification further and, should they agree to sponsor increments, these increments will be incorporated into the ITT either as part of the base specification or as priced options.

The new franchise contract will be let by the Department for Transport and consequently the Department will be ultimately responsible for ensuring that the contractual commitments are delivered. If a PTE/LTA has chosen to sponsor specific increments to the franchise, the Department will, to facilitate the discussion of any particular regional issues and to ensure delivery of the key elements of the franchise specified by the PTE/LTA concerned, invite them to participate in relevant operational meetings between the Department and the successful bidder.

Local Authorities are also asked to highlight any increments or decrements that they would like to propose as part of the franchise specification.

Passenger Focus

The 2007 White Paper *Delivering a Sustainable Railway* proposed that Passenger Focus should be given a new role within the franchise specification process. This new role involves Passenger Focus providing 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.

A positive relationship has been developed between the Department and Passenger Focus over recent franchise replacement competitions. It is proposed to build on the processes developed in these previous competitions within the new InterCity West Coast franchise.

Since mid-2010, the Department has been meeting regularly with Passenger Focus, and these discussions will continue. Passenger Focus may also conduct specific research of customer expectations for the franchise, analysing responses from passengers representing all the services operated on the franchise area. Findings from this research together with information from the regular National Passenger Survey (NPS) and other research into passenger views and priorities will be used to inform the development of the specification for the new franchise.

Passenger Focus research will be provided to all bidders to assist the shaping of their proposals for the new franchise.

Passenger Focus research has identified some key recommendations. In summary, passengers' priorities for the franchise can be summarised as:

- improving punctuality and reliability, moving towards a Right Time railway;
- delivering additional peak capacity to reduce crowding;
- improving aspects of the current timetable;
- increasing passenger satisfaction with value for money;
- making ticket purchase easier for passengers;
- improving transparency and trust in the fares system;
- improving the management of service disruption and provision of passenger information;
- increasing passenger satisfaction with personal security when using the railway;
- improving accessibility to stations and meeting the needs of disabled passengers;
- improving the environment on trains and at stations.

The list of recommendations for the franchise and the analysis underpinning them will be set out within a Passenger Focus submission to the Secretary of State in due course. This document and summary reports of the route-based research will be made available on the Passenger Focus website (www.passengerfocus.org.uk).

The Department will continue to work with Passenger Focus in considering how best to incentivise the delivery from bidders of some of these recommendations in a cost-effective, affordable and practical manner. In general, the Department

is supportive of those elements that seek to improve service quality, passenger information and link improvements to a results monitored mechanism.

7. The proposed DfT specification

This section sets out the proposed DfT specification. It contains details of how the franchise objectives are addressed through the specification, and how a number of the issues proposed by Passenger Focus may be tackled.

Additionally, it looks at the main train service issues that the franchise seeks to address, and then details the service quality and environmental proposals the Department expects operators to address within their bids.

This specification has been developed following discussions with Network Rail, Passenger Transport Executives and Passenger Focus and includes consideration of the responses made to the Department following the reforming rail franchising consultation in autumn 2010.

Bidders will be expected to consider the commercial opportunities of complementary and additional services and include any proposed changes to the existing timetable within their offer.

The base specification may be subject to changes as outlined in Section 2. This may involve the Department choosing to enhance, reduce or retain the current level of services. The final specification will reflect emerging value for money and affordability requirements.

Train Service Requirements

It is expected that, at the start of the new franchise, a similar service pattern from London Euston as is currently operated will be in force.

The core train service that the successful bidder will be required to deliver will be contractualised in the Franchise Agreement. It is envisaged that there will be a Track Access Agreement for the first 10 years of the franchise that will support this level of service.

The timetable that will be in force when the franchise commences in April 2012 will be described as the train service requirement.

We will require bidders to review the efficient allocation and deployment of the available rolling stock and optimise the balance of capacity and demand, addressing existing crowding issues to the extent possible and provide improvements to the passenger experience where they can demonstrate improved value for money. This could involve bidders proposing changes to this train service requirement.

As described in Section 3 of this document, the programme to provide additional Pendolino rolling stock is expected to necessitate the introduction into service of 11-car units from April 2012. The train service requirement is unlikely to be affected by this introduction.

Enhancements in terms of capacity and frequency of service will be required during the 17 day period of the Olympic Games from 27 July to 12 August 2012 and the 12 day period of the Paralympic Games from 29 August to 9 September 2012. This will be recognised within the train service requirement, with the franchise returning to the base after the end of the Olympic period. The additional services and capacity required as part of this Olympic timetable have been contracted in an Olympic Services Delivery Plan and will be presented to accredited bidders once selected.

Train Service Requirements

The core train service requirement is for a standard pattern timetable similar to the current service:

- 3tph Euston to Birmingham New St, one of which extends to Wolverhampton
- 3tph Euston to Manchester Piccadilly; two via Stoke and one via Crewe
- 1tph Euston to Liverpool
- 1tph Euston to Chester, with some extensions to Bangor and Holyhead
- 1tph (most hours) Euston to Glasgow
- 1tph Birmingham to Scotland

In addition, bidders will be required to consider how the spare hourly off-peak path should best be used, assuming that ORR has allocated these paths to the franchised operator. Variations to the standard pattern timetable occur:

- in the morning and evening commuter peaks to and from Euston
- at the beginning and end of the day
- on Sunday mornings when reduced service levels operate to allow Network Rail to undertake inspections and routine maintenance, and
- on Friday evenings from Euston when a small number of additional services operate

Stations benefit from the following number of trains to and from London Euston:

Bangor,	7 per day
Birmingham International,	3 per hour
Birmingham New Street,	3 per hour
Carlisle,	1 per hour (with some gaps)
Chester,	1 per hour
Colwyn Bay,	7 per day
Coventry,	3 per hour
Crewe,	2 per hour
Flint,	5 per day
Glasgow Central,	1 per hour (with some gaps)
Holyhead,	5 per day
Lancaster,	1 per hour
Lichfield Trent Valley,	3 per peak
Liverpool Lime Street,	1 per hour
Llandudno Junction,	7 per day
Lockerbie,	3 per day
Macclesfield,	1 per hour
Manchester Piccadilly	3 per hour
Milton Keynes Central,	2 per hour (with some extras)
Motherwell,	3 per day
Northampton,	1 per day
Nuneaton,	3 per peak
Oxenholme Lake District,	7 per day
Penrith North Lakes,	7 per day
Prestatyn,	7 per day
Preston,	1 per hour
Rhyl,	5 per day
Rugby,	1 per hour (with some peak extras)
Runcorn,	1 per hour
Sandwell and Dudley,	1 per hour
Stafford,	1 per hour
Stockport,	3 per hour
Stoke-on-Trent,	2 per hour
Tamworth,	3 per peak
Warrington Bank Quay,	1 per hour
Watford Junction,	1 per hour (with some extras)
Wigan North Western,	1 per hour
Wilmslow,	1 per hour
Wolverhampton,	1 per hour
Wrexham General,	1 per day

Changes to Train Service Requirements

Changes to the inherited train service could occur as early as the timetable change date in December 2012 and may be driven by the additional capacity generated by introduction into the fleet of the four additional Pendolino trains. It is expected that the fleet will consist of 35 11-car and 21 9-car Pendolino formations by this time, in addition to the 21 Voyager diesel-powered sets.

It is the intention that bidders should be required to propose what changes they believe should be made to the timetable and the Train Service Requirement and the dates from which such changes should take effect. Bidders' proposals for changes will need to be accompanied by clear justifications for the proposed changes and assessments of the impacts on capacity and demand.

If timetable changes are proposed during the franchise period, bidders will be required to carry out a public consultation on any proposed material changes before they are implemented.

Among the questions they may wish to consider are:

- Should the Euston-Glasgow service be enhanced to hourly?
- What is the appropriate balance for London-Glasgow services between fast journey times with few intermediate stops and slower times with more stops?
- Which intermediate stations should be served by Glasgow trains, and how frequently?
- Should the spare off-peak path be used to provide an hourly service between Euston and Preston (or Lancaster or Blackpool) to serve intermediate stations, such as Warrington and Wigan, thus enabling these calls to be removed from the Glasgow trains, with consequent journey time reductions between London and Glasgow?
- Is 3 trains per hour the appropriate level of service between London and each of Birmingham and Manchester, and for how many hours of the day should such a service level operate?
- What is the appropriate frequency of service between Milton Keynes and north-west England?
- Does the West Coast InterCity operator have a role to play in the provision of commuter services between Milton Keynes and London, or would commuters overcrowd the InterCity services?
- Should off-peak services be provided between London and each of Nuneaton, Tamworth and Lichfield, or does the existing hourly service provided by London Midland cater adequately for these flows?
- Is there a case for allocating Pendolinos to some of the Birmingham to Scotland services (to provide greater capacity) whilst allocating

diesel-powered Voyagers to some Euston services so that direct trains can be operated to destinations, such as Blackpool North, that lie on non-electrified routes?

- What level of service should be provided at smaller stations on the network such as Motherwell, Lockerbie and Penrith?
- What level of service should be provided between stations such as Oxenholme and Penrith?
- Is there a case for more InterCity services to call at Watford Junction and/or Rugby?

These questions are not exhaustive and purely meant as a representation of the breadth of issues that may be considered.

Unlike many businesses, train operators have limited flexibility to alter their services if passenger demand reduces or changes as a result of an economic downturn. This makes it hard for train operators to respond to changing passenger behaviour. In order to provide a greater measure of flexibility, the Department is therefore considering allowing proportionate small reductions to train mileage, frequency or other aspects of the contracted train service during the franchise term if economic growth is slower than originally projected.

Stakeholders are asked to suggest alternative suggestions that they believe will be affordable, value for money and provide a strong commercial or economic case.

Services during the off peak, evenings, weekends and public holidays

In response to changing demand, bidders will be required to consider the appropriate level of service for off peak periods, evenings, weekends and on public holidays across all routes.

Network Rail requires engineering access to the network in order to maintain a safe and reliable railway. Bidders will be required to consider this and work with Network Rail to minimise the disruption on the West Coast Main Line. In particular Network Rail has suggested that efficiency and reliability might be improved if the existing policy of blocking two tracks (for maintenance purposes) on the four track sections for sixteen hours between 2000 Saturday and 1200 Sunday were extended to eighteen hours.

Respondents are encouraged to consider appropriate train times and service frequencies for the franchise. Respondents are also encouraged to consider alternative service propositions.

Managing Capacity

Passengers expect to be able to get a seat on InterCity services. It is proposed that bidders should plan to ensure that this capacity expectation is achieved within the bounds of its resources.

Bidders will be required to review the efficient allocation and deployment of available rolling stock to ensure that appropriate capacity is matched to demand, addressing existing and future crowding needs to the extent possible.

Bidders will be required to detail how they would provide and utilise any additional capacity if proposed and assess the demand requirements for optimal introduction.

Bidders will be expected to consider the appropriate allocation of first and standard class seating as part of their proposals.

The Government is currently conducting the procurement of the rail passenger counts database which is intended to provide accurate data on train loadings and crowding levels and which will be used to inform decisions about pricing and capacity.

The new franchisee will be required to provide, on a regular basis, detailed passenger counts for all services where passengers are counted by automatic equipment. This will need to be in a format compatible with the Department's counts database. Where the operator has Automatic Passenger Count (APC) equipment, we propose to ask for everything the train generates. Where and when there are gaps in data coverage, we may request additional manual counts in order to provide more complete coverage of services over the year.

The franchisee will be expected to supply passenger count information to the Department and produce improvement plans for services where it is failing to deliver an appropriate capacity level in light of the demand identified by passenger counts.

The Department is considering whether all new rolling stock built will have a requirement for APC equipment to be fitted to comply with these requirements.

Among the questions bidders may wish to consider in developing their improvement plan are:

- Should rolling stock be redistributed on to alternative services?
- Can yield management techniques be used to smooth demand?
- Can changes to ticket time restrictions alter demand?

- Will additional rolling stock be required? If so, when? And can it be sourced and funded?
- How quickly can the congestion be relieved?
- Are there any other ways to relieve crowding?

Capacity improvement plans will be limited to solutions within the franchisees' control and will be subject to agreement with the Department in terms of the timescales to be achieved. In circumstances where the franchisee identifies that it cannot meet the capacity requirements without investment in the procurement of new rolling stock or the enhancement of infrastructure, a formal proposal will be required setting out the business case for the enhancements proposed.

Reliability and performance

In recent years the reliability of InterCity West Coast services has improved such that by the end of 2010 the current operator was achieving Public Performance Measure (PPM) scores of over 86%.

The specification will expect this improving trend to continue and for InterCity West Coast to meet its contribution to the overall Long Distance Services PPM score of 92% by 2014, as required in the 2007 White Paper. In addition to this requirement, bidders will need to demonstrate how they would provide a reduction in 'significant lateness and cancellations'. Long Distance Service operators as a whole are expected to deliver a 36% decline in delays of more than 30 minutes or cancellations. The franchise agreement will stipulate TOC delay minutes, cancellations and capacity benchmarks and these will form part of the performance measure that will be assessed.

Bidders will also be expected to demonstrate how they would deliver improved punctuality at intermediate stations where connections are particularly important.

A single compensation policy based on delays to individual journeys will apply for all passengers in line with recent franchise replacements

In devising their fleet plans bidders will be required to demonstrate that they will be able to accommodate, in accordance with capacity standards, the demand that they have forecast on trains on all routes at all times of day and week.

Bidders, as always, will be encouraged to come up with alternative measures that may deliver better performance, capacity or journey times. Where these involve timetable changes, it should be noted that, as with all timetable changes, the operator will be required to consult fully with interested parties.

Respondents are encouraged to highlight any performance areas of particular concern.

Delivering improvements for passengers

The Department will consider a number of elements aimed at improving the overall quality of service delivered to passengers. Bidders will be encouraged to find innovative ways to enhance the level of provision over and above that of today and will be free to propose alternative approaches to those noted below.

We would emphasise that while we welcome ideas and proposals on all the matters set out below from stakeholders and bidders, only some of these issues, not all of them, are suitable for inclusion as part of the legally binding contractual specification of the franchise. Others will inform our thinking and help us assess the ability of bidders to deliver high quality services for passengers, but need not be contracted.

Better railway stations

Stations ought to be attractive gateways to the railway system, as well as being modern, user-friendly interchanges with other forms of transport.

A recent review of station standards conducted by Station Champions Chris Green and Sir Peter Hall in November 2009 highlighted Crewe, Stockport, Warrington Bank Quay, Preston and Wigan North Western stations as within the 10 key interchange stations that would benefit from investment in improved facilities. A copy of the findings and the previous administration's subsequent response to this review can be found on the DfT website at: www.dft.gov.uk/pgr/rail/passenger/stations/betterrailstations.

Furthermore Carlisle and Wolverhampton appear within the list of the top 30 stations highlighted for enhancements. The previous administration published its response to the consultation on this report, entitled *Better Rail Stations* in March 2010.

Network Rail is continuing to work with local partners to assess what improvements can be delivered at these ten stations. Bidders will be expected to have considered how best to enhance the quality of the station portfolio in their proposals.

The review also highlighted a proposed set of minimum standards for each category of station, with an aspiration to achieve an 80% station satisfaction score at each site.

Better access to stations is an important element in improving the door-to-door journey, of which rail is just one element. The review highlighted a desire for additional car parking and cycle spaces across the National Rail network. Car parking is seen as a constraint in many locations because of limited capacity, and bidders will be encouraged to develop proposals to enhance provision across the franchise area. Currently over 8500 car parking spaces exist on the franchise, of which approximately 200 are for disabled users.

Approximately 500 cycle spaces already exist on the franchise. Bidders will be encouraged to provide adequate capacity with some of these additional spaces able to be provided through the £14 million funding of cycle improvements announced by the Department on 28 September 2009. All stations at which the incumbent is SFO currently have some cycle space provision with many covered by CCTV. It will be for bidders to decide upon the locations of any additional secure spaces in consultation with stakeholders. We hope bidders will find it useful to draw on the work of the Cycle–Rail Integration Task Force in developing their approach on this issue.

Subject to the successful completion of a number of pilot studies, including one taking place in Stoke-on-Trent, the Department is considering proposing the extension of the trials of Station Travel Plans across the franchise area. Station Travel Plans are intended to highlight ways in which access to stations by all modes can be improved for both current users and those at present not travelling by train because of the lack of convenient access.

Station Travel Plans are designed to bring together all the stakeholders with an interest in a rail station (rail industry, local authorities, passenger groups, bus and taxi operators, cyclists and others) to develop and agree common objectives and a co-ordinated approach to delivering them. The operator would be required to work with local authorities to develop these, although it will be up to local authorities to decide which stations they believe are important and whether station access is a local priority. It is expected that, where significant car and cycle parking enhancements are proposed, a Station Travel Plan may also be considered.

Passenger Focus has conducted research on passenger perceptions of the most important facilities to have at stations and bidders are encouraged to consider these.

It will be for bidders to consider what appropriate enhancements should be made at stations, however they will be expected to have considered how best to enhance the quality of the station portfolio in their proposals and are also encouraged to facilitate any enhancements proposed in as cost-effective a manner as possible.

Respondents are encouraged to consider the best method for funding major station enhancements and are encouraged to consider any local accessibility issues that they believe need addressing.

Access for All (A4A) and National Stations Investment Programme (NSIP)

A number of stations within the franchise area will see improvements under the schemes highlighted above. Euston and Prestatyn have already benefitted from the Access for All Scheme, a 10-year programme worth £370 million to improve access at stations in England, Scotland and Wales between 2006 and 2015. Works are planned to be completed at Wrexham General by June 2011 and deliver improvements at Carlisle by 2015.

The winning bidder will be expected to co-operate with and reasonably assist the implementation of the Programme. Further information can be found at the Department's website at www.dft.gov.uk/transportforyou/access/rail/railstations.

The Department will also expect bidders to give consideration to opportunities that may exist to benefit passengers by using the Small Schemes Programme, a £7 million per year fund available for train operators, local authorities and other third parties to bid for match funding to provide smaller scale improvement schemes.

A number of stations have also been identified as candidates for funding from the National Stations Improvement Programme, the £150 million fund to improve approximately 150 medium-sized stations, which was announced in the 2007 Rail White Paper. Bidders will be required to co-operate in the implementation of works at stations designated for improvement under this fund, such as Carlisle, Preston, Runcorn, Wigan North Western and Wolverhampton.

Respondents are encouraged to consider which locations may be desirable for future consideration for improvement under these schemes and how such schemes may be funded.

Combined management and maintenance

As part of the review of franchising policy and in search of possible cost efficiencies within the rail industry, the Department has been working with ORR, NR and ATOC to develop a proposition for the combined management and maintenance of stations.

Currently all stations are largely maintained by Network Rail. For those stations that are managed by TOCs, a shared responsibility exists with some maintenance conducted by TOC and some by NR. Therefore there may be potential savings to be realised from reforming responsibilities for the management and maintenance of stations, as well as the potential for achieving a better passenger experience and encouraging enhancements at a lower cost base.

The Department is therefore considering whether it is possible to extract better value by changing responsibilities at stations, in particular by extending responsibilities to franchisees. An evaluation framework and metrics to evaluate the different options being considered are under development and if available in time we propose this approach may be conducted on the InterCity West Coast franchise.

Rail Value for Money review

Sir Roy McNulty is leading the Rail Value for Money study. The study is due to conclude next year but interim results were also published on 7th December, available at:

<http://www.dft.gov.uk/pgr/rail/strategyfinance/vfminterimreport/>.

The study is assessing how the costs of running the railway can be reduced, while continuing to invest in capacity enhancement and improving passenger satisfaction. Conclusions from this work are likely to have a large impact on the design of rail franchises in future. Any changes in these responsibilities will have an impact on key elements of the franchise contract and will need to be reflected in future franchising policy.

The Government is determined to secure a sustainable and efficient railway. Sir Roy McNulty's value for money review has already found that closer working and alignment of incentives between train operators and Network Rail and strong leadership across the industry could significantly improve value for money.

The Department is examining options for getting those responsible for track and train to work more closely together to drive down the cost to passengers and taxpayers while improving the quality of services and is considering options for structural reform in the industry.

The new franchisee will be expected to work with the Department and Network Rail on ideas for bringing costs down and improving cooperation between the management of track and train. Any work done in this area will need to reflect the diverse use of the West Coast Main Line and to take on board the interests of all users, including freight operators.

Bidders will also be expected to propose how they would reduce the unit costs of their existing operations on a year on year basis to improve efficiency.

Respondents are encouraged to consider how best to improve the management and maintenance of tracks and stations. We also welcome proposals that will enable reductions in cost to be achieved.

Security and safety

Improvements in station and on-train security are an important element in improving the overall passenger perception of the railway, which in turn helps attract new passengers.

Passenger Focus has highlighted security as an area of particular concern to passengers and has produced a publication on this subject entitled *Passenger Perceptions of Personal Security on the Railways*.

All stations within the InterCity West Coast franchise area are currently covered by Secure Station Accreditation (SSA). This scheme represents a national standard for passenger safety and security on Britain's railway stations and ensures that accredited stations meet minimum security standards.

We anticipate bidders maintaining the current level of accreditation throughout the franchise term, as well as the coverage of CCTV on rolling stock.

Bidders should consider whether it is appropriate to ensure all station car parks operated have been awarded the 'Park Mark' award.

Bidders will be expected to propose what level of Help Point coverage will be achieved in the future and by when.

Bidders will also be expected to outline plans for other security enhancements, such as extensions to CCTV coverage, improved working with the British Transport Police (BTP) and identify opportunities to secure external funding.

Respondents are encouraged to consider any local safety issues that they believe need addressing.

Fares, ticketing and revenue protection

Unregulated fares will continue to be set by the franchisee. Operators will therefore remain free to alter unregulated fares as they see fit, although the Department will publish the assumptions upon which the winning bid has been made.

Bidders will be required to produce a passenger charter including a Delay Repay compensation scheme based on delays to journeys and will be required to demonstrate a commitment to a proactive policy of informing passengers of their right to claim in any given situation.

The Delay Repay compensation scheme will apply to all ticket types from daily tickets through to annual season ticket holders irrespective of what caused the delay with the value of compensation calculated on an equitable basis for all. For season tickets, compensation would be calculated using the proportional daily cost of ticket.

Bidders will be encouraged to consider zonal and other fare simplification measures and to consider opportunities for through ticketing schemes where possible.

Bidders should consider whether key walk-up fares from each station should be available via a poster displayed at each station.

The new franchisee is expected to be innovative in its use of new technology in order to achieve increased revenue, make access to the network easier and more attractive, both to current and potential passengers, and to make efficient use of capacity.

The specification may require Bidders to set out detailed plans of how they will utilise marketing techniques to increase passenger usage and revenue. These plans could require initiatives targeting both existing passengers and new passengers with a view to retaining them as repeat customers.

In particular, and in line with recent franchise replacements, bidders will be asked to incorporate Smartcards and other technology to review retailing strategy and offer new products.

In implementing these new approaches, the franchisee will be expected to participate actively in establishing a common industry approach to the developments so that any changes to the current retailing and ticketing arrangements retain the spirit of the current Network Benefits, providing a single, national passenger-facing framework.

Embracing new technology on a consistent network basis will cut queues and speed up the overall journey for passengers. In London, the Oyster Smartcard is already accepted for season tickets, and Oyster Pay As You Go (PAYG) is now valid on all national rail services in London.

In line with other recent franchises, the Department will expect operators to develop and to roll out Smartmedia products across the franchise area. These should be based on the ITSO standard and, subject to TfL completing the required upgrade of its equipment as part of the ITSO on Prestige project, will allow ITSO products to be used on Underground and bus services in London. Integration of these products with other modes of transport in other Metropolitan areas will also be encouraged.

In recent years new ticket machines have been provided across the franchise, and their use has increased significantly. It will be for Bidders to propose whether any locations exist for additional ticket machines along with enhancements to current functionality to increase the range of tickets available.

Research by Passenger Focus has indicated that ticket retailing is an area of concern for passengers, with transparency and trust in the fares structure a key area of concern as highlighted in their Ticket Vending Machine Usability report of July 2010. On TVMs at time of purchase, display of any applicable restrictions and full acceptance of rail card discounts, plus any increased functionality would be desirable.

Proposals to introduce new retailing methods to reduce time taken to purchase tickets, such as print at home, telephone and internet based sales channels, will also be encouraged.

Currently the principal means of revenue protection on the franchise is by on-train inspection of tickets. This is supplemented by the use of ticket gates at some stations. The base specification will seek proposals to minimise revenue loss across the InterCity West Coast area.

The Department is considering whether the operator should implement a Ticketless Travel Survey twice per annum along with an appropriate monitoring regime as part of the franchise to ensure that all appropriate efforts are made to collect revenue.

Respondents are encouraged to consider how best to minimise revenue loss across the franchise and how fares on this franchise could be made easier to understand.

Passenger information

Research by Passenger Focus has highlighted that the provision of timely and accurate information is a vital priority for passengers, and this is especially true during periods of disruption. In recent years considerable improvements to information provision have been made with the introduction of real-time information at stations and improved access via mobile phones and the internet. The National Rail Enquiry Service (NRES) now provides a large amount of high-quality information on all aspects of the rail journey.

The specification will seek proposals from bidders that fully utilise existing channels of communication, such as real-time information both at station and on train to provide accurate and up-to-date information, especially when things go wrong.

The specification may seek proposals to modernise and enhance the provision of on-station passenger information where it is currently limited, including through the use of multi-modal display boards and information zones to improve onward journey information.

Bidders will also be encouraged to consider new ways in which they will communicate with their passengers. They will also be encouraged to highlight ways in which issues raised by Passenger Focus can be addressed, including the adoption of industry-standard good practice to allow increased access to information for passengers.

Operators will be required to consider linking information on rail journeys on their websites with Transport Direct website services to allow door to door journey planning.

Respondents are encouraged to consider how best to communicate with passengers across the franchise.

Improving service quality

The franchise is seeking improvements that, above all, are aimed at enhancing the overall quality of the service.

In 2009-10 the current operator experienced a customer complaint level of 370 cases per 100,000 passenger journeys. This was a reduction of 32% on the previous year. While the level of complaints reduced, the proportion answered within 20 days was only 53%, down from 66% in 2008-09. Bidders will be expected to consider how they will continue to reduce complaint levels and improve the speed of receiving a response.

The operator may also be required to propose how they will improve aspects of the rail journey not covered elsewhere, such as the quality and cleanliness of stations and trains.

Service quality provision has historically been left to the operator on InterCity services as competitive pressure and the incentive to increase customer patronage has been assumed to be sufficient and this may continue to be our proposed approach.

Alternative approaches have been proposed such as the setting of disaggregated annual NPS targets by the operator as outlined in Section 3. These targets have previously been contractualised and failure to meet them has triggered a requirement to produce improvement plans with an agreed spending commitment.

Previous franchises have also required operators to monitor levels of service quality and ensure stations and trains are clean and maintained to a high standard through a variety of review methods - including the potential for 'mystery shopping' exercises.

The Department is considering the appropriate approach for the new franchise and respondents are encouraged to consider the proposals suggested, to highlight any alternative proposals and to make recommendations on any issues that may be identified.

Managing disruption

The Department will expect bidders to demonstrate how they will work constructively with HS2 Ltd, the HS2 infrastructure provider and Network Rail to facilitate the construction of High Speed 2 should this project proceed.

Bidders will also be required to outline their approach to dealing with disruption, especially how they will work with other operators to minimise disruption during planned engineering works.

The Department will require bidders to provide detailed and robust plans for managing such disruption. These plans will set out how bidders propose to keep customers informed about planned engineering works and any timetable changes. The franchisee should consider the best ways of using new or existing communication channels, such as Passenger Information Systems (PIS), to keep customers informed.

Bidders will also be required to set out how, if no diversionary path exists, frequent, high-quality, accessible and well-managed rail replacement services are to be provided during periods of disruption. The franchisee will also need to demonstrate how they will plan for disruption.

Respondents are encouraged to consider how best to keep passengers informed during times of disruption.

Community rail partnerships

Community rail initiatives are designed to support and develop the local rail network and create links between the community, businesses and the railway, including seeking ways to improve facilities on stations through local station sponsoring.

The Department expects the bidders for the new InterCity West Coast franchise to demonstrate a commitment to work with any partnerships that develop over time and to indicate how they propose to work with communities over the life of the franchise.

Disability Discrimination Act 1995 and minor works fund

The Department will expect bidders to ensure that their proposals comply with equalities and discrimination legislation, and include the production of a Disabled Peoples Protection Policy (DPPP), which sets 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 detail 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.

Bidders will be aware of the end date, 1 January 2020, by which time all trains must be accessible to persons with reduced mobility. As the end date of this franchise is likely to extend beyond this date, it is envisaged that bidders will be expected to work with rolling stock leasing companies to identify in their bid, opportunities during the franchise for any corrective works to take place to enable applicable fleets to operate past 2019.

Following changes to the technical accessibility standards, the Class 390 fleet is now considered to fully comply with the physical requirements of those standards, although naturally the onus remains on the franchisee to ensure they are also operated in a compliant manner while in service.

Previous franchises have contained a requirement for bidders to have a minor works fund to carry out minor works at stations, including accessibility and mobility improvements. The Department will continue to expect such a fund to be provided.

The Department has conducted a screening level assessment of the impact this franchise 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 on request.

Respondents are encouraged to consider local accessibility and mobility issues and suggest how improvements could be made.

Catering

Bidders will be expected to demonstrate a strategy for the delivery of catering services where they propose them on their trains and will be expected to illustrate how they will be delivered, balancing customer demand and expectation with the overall financial impact of the proposal on the franchise.

Respondents are encouraged to consider what level of catering provision should be provided.

Improving the environmental performance of the railway

Although rail is a relatively clean and efficient means of transport, as with all modes of transport, it must play its part in reducing its environmental impacts and contribute to Government's broader sustainable development objectives. In addition, with large populations living near the railway, all train operators have an important role to play in managing their activities to reduce noise and other disturbance to their line-side neighbours.

Consequently, the Department will expect bidders for this franchise to set out plans for measuring and reducing the environmental impact of their rail activities. In particular, the Department may require bidders to set targets for improving the environmental performance of the franchise, including traction and non-traction CO₂ emissions, waste generation, recycling, water consumption and other environmental impacts. Bidders may be required to monitor and publish annually the overall environmental performance of the franchise.

The specification may require a reduction in non-traction electricity consumption within the life of the franchise.

The Pendolino fleet has the ability to use regenerative braking, where the energy created while braking is returned to the overhead power supply, improving energy use and the effects on the environment. Bidders will be required to continue and extend regenerative braking to any new build electric rolling stock introduced to the franchise.

The diesel Super Voyager fleet has electric transmission; therefore opportunities may exist for conversion via an additional pantograph/transformer carriage to allow running in either electric or diesel mode. Alternatively the Pendolino manufacturer has indicated that it may be possible to produce shorter than 9 car sets. Bidders will be expected to consider these and other solutions if they believe a value for money case can be developed for providing additional capacity on the route.

The Department may expect bidders to develop and implement a sustainable procurement policy to reduce the environmental impact of goods and services procured to support their franchise operation.

Respondents are encouraged to consider what environmental key performance indicators (KPIs) should be set within the franchise specification.

8. Consultation

Consultees are requested to comment on aspects of the proposals as noted in Section 7. DfT would also welcome formal notification of any specific increments or decrements that potential funders wish to pursue as part of the franchise.

The consultation criteria

This consultation is being conducted in line with the Government's Code of Practice on Consultation. The criteria are listed at Appendix 4, 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

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

Giada Covallero
Consultation Co-ordinator
Department for Transport
Zone 2/25
Great Minster House
London SW1P 4DR

Email address: consultation@dft.gsi.gov.uk

Impact assessment

The Department has conducted a screening level assessment of the impact this franchise 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 DfT on request.

Action following consultation

Following the consultation period, DfT will consider responses, undertake such further analysis as might be necessary and, if appropriate, include it within the ITT as part of the Base Specification or as a priced option.

The Department will produce a summary of the outcome of the consultation process as a Stakeholder Briefing Document and will publish this alongside an ITT which is proposed to be made available in summer 2011.

Invitations to consultees

A list of bodies formally consulted is set out in Appendix 2.

Rail User Groups should send comments in the first instance to the Department for Transport and also provide copies to Passenger Focus as appropriate.

Members of the general public may wish to make their views known to their local district, county, unitary authority or London borough. Copies of comments can also be made available to Passenger Focus.

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

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.

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.

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.

The Department will process your personal data in accordance with the DPA, and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties.

It should be noted that not every submission made by members of the general public will receive a response.

This document can be made available in appropriate accessible formats on request.

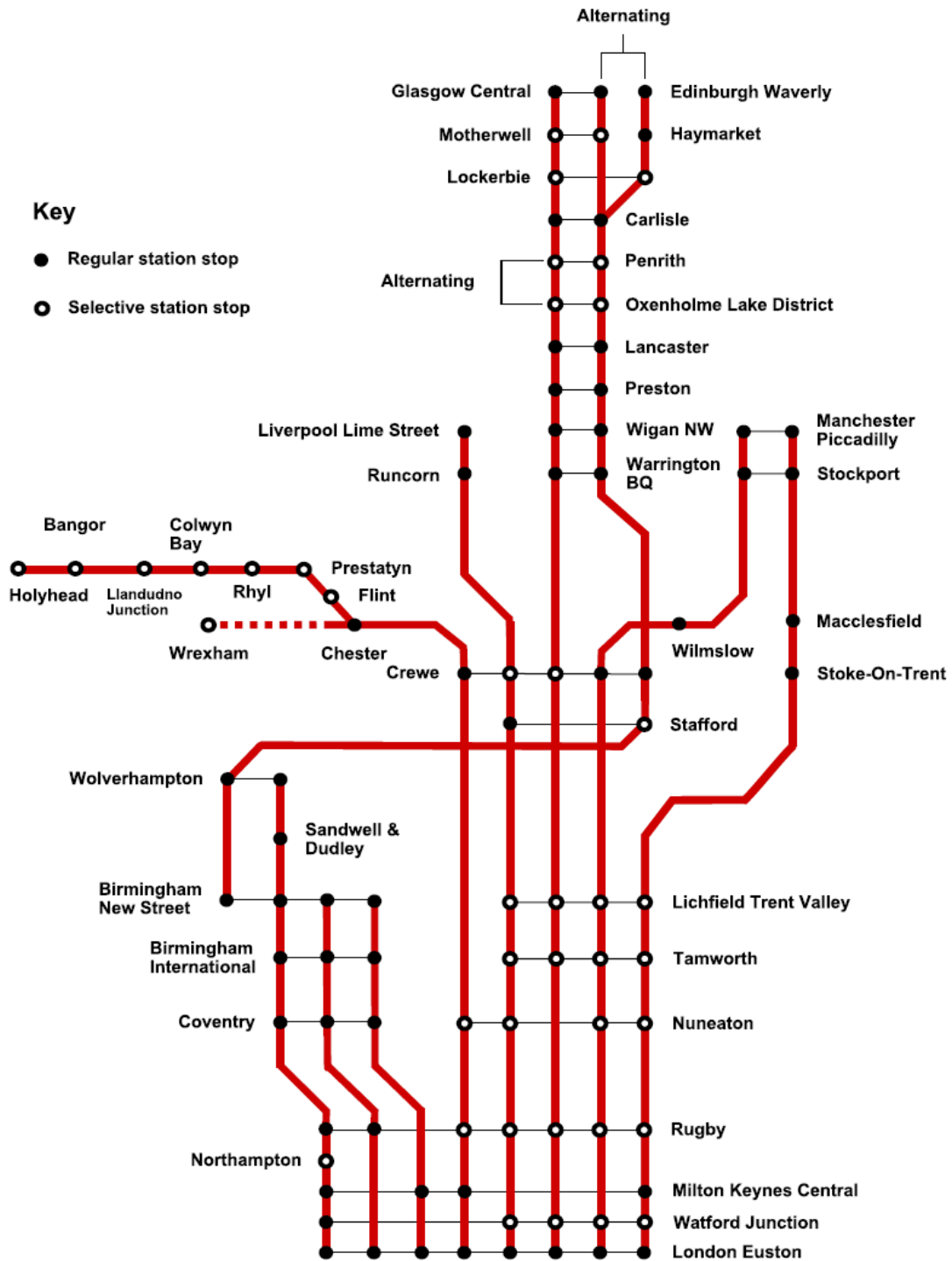
Responses to this consultation should be sent to:

InterCity West Coast Franchise Consultation Manager
Department for Transport
Zone 5/26
Great Minster House
76 Marsham Street
London SW1P 4DR

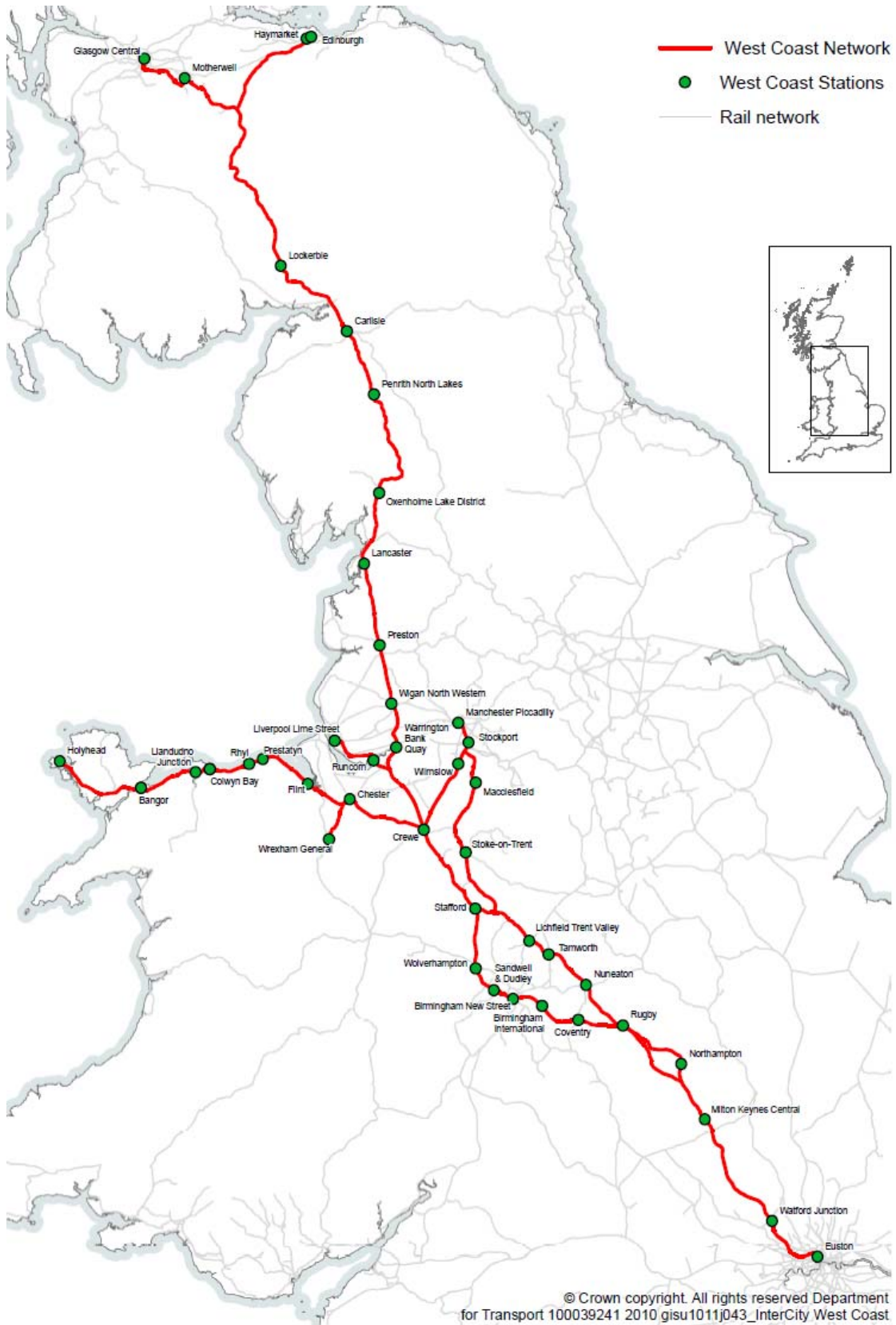
Or by email to: intercitywestcoast@dft.gsi.gov.uk

The deadline for responses is 21 April 2011; earlier replies will be very welcome.

Appendix 1: Maps



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Appendix 2: List of formal consultees within the proposed service area

Association of Train Operating Companies

BAR-UK

British Transport Police

Corporation of London

Development Agencies (within the franchise area)

Disabled Persons Transport Advisory Committee

Equality and Human Rights Commission

Freight Operators (within the franchise area)

Freight Transport Association

Government Offices (within the franchise area)

Greater London Authority

Local Government Association

Local, Metropolitan, County and Unitary Authorities (within the franchise area)

London Boroughs (within the franchise area)

London TravelWatch

Mayor of London's Office

Members of Parliament (within the franchise area)

Members of the Scottish Parliament (within the franchise area)

Members of the National Assembly for Wales (within the franchise area)

National Rail Contractors Group

Network Rail

Office of Rail Regulation

Olympic Delivery Authority

Passenger Focus

Passenger Transport Executives (within the franchise area)

Rail Freight Group

Rail Safety and Standards Board

Regional Assemblies (within the franchise area)

Regional Development Agencies (within the franchise area)

Rolling Stock Leasing Companies

Scottish Executive

Taith Joint Transport Board

Train Operating Companies (within the franchise area)

Transport for London

Transport Scotland

Welsh Assembly Government

Appendix 3: Glossary of terms

APC	Automatic Passenger Count
ATOC	Association of Train Operating Companies
BCR	Benefit – Cost Ratio
BTP	British Transport Police
CCTV	Closed Circuit Television
CIS	Customer Information System
CO2	Carbon Dioxide
CP4	Control Period 4
CP5	Control Period 5
DfT	Department for Transport
DVT	Driving Van Trailer
FOIA	Freedom of Information Act 2000
GSM-R	Global System for Mobile Communications
HLOS	High Level Output Specification
HS2	High Speed Two
ICWC	InterCity West Coast
ITSO	ITSO (Smartcard system)
ITT	Invitation to Tender
LTA	Local Transport Authorities
MAA	Moving Annual Average

NPS	National Passenger Survey
NR	Network Rail
NRES	National Rail Enquiry Service
NSIP	National Stations Investment Programme
ODA	Olympic Delivery Authority
OHL	Overhead Lines
ORR	Office of Rail Regulation
PAYG	Pay As You Go
PDFH	Passenger Demand Forecasting Handbook
PIS	Passenger Information System
PIXC	Passengers In Excess Of Capacity
PPM	Public Performance Measure
PTE	Passenger Transport Executive
RUS	Route Utilisation Strategy
SDO	Selective Door Operation
SFO	Station Facility Owner
SSA	Station Security Accreditation
TfL	Transport for London
TOC	Train Operating Company
tph	Trains per hour
TOC	Train Operating Company
TVM	Ticket Vending Machine
VfM	Value for Money
VRPL	Virgin Rail Projects Ltd
WCML	West Coast Main Line

Appendix 4: 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:

Giada Covallero
Consultation Co-ordinator
Department for Transport
Zone 2/25 Great Minster House
76 Marsham Street
London, SW1P 4DR

Email: consultation@dft.gsi.gov.uk