Department for Transport | Rail Executive

Stakeholder Consultation

TransPennine Express Rail Franchise

Northern Rail Franchise

RAIL NORTH

June 2014

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Contents

Foreword

The North of England has a population of 15 million and accounts for around 25% of the national economy. Rail has a major role to play in helping the North of England meet its economic potential.

By connecting the North of England's major centres, supporting commuters and businesses, and reflecting the needs of social and leisure markets, the railway supports the wider economic prosperity of the region. It also provides an important link to Scotland.

More and more passengers are using the railways in the North of England, and the recent increases in journey numbers are forecast to continue. Combined with the major investment in railway infrastructure undertaken by Network Rail, the forthcoming re-letting of the Northern and TransPennine Express rail franchises represents a significant opportunity to transform rail travel for the increasing number of passengers in the North of England.

The two franchises need to be affordable to the taxpayer, as well as offer value for money to the fare paying passenger. So the challenge is to best match the available resources to the journeys passenger want to make, whilst identifying opportunities to make services more attractive. Innovation and partnership working will also be vital in making the improvements to service levels and facilities that passengers want to see.

This consultation document is therefore seeking views on how best to balance our aspiration for a railway that supports the expected growth and delivers the economic benefits it is capable of, whilst at the same time being an affordable proposition with focused and targeted use of resources.

We welcome your views.

Introduction

1. This consultation document has been produced by the Department for Transport's Rail Executive (Rail Executive) and Rail North (together referred to as 'we' in the document, unless otherwise specified). It seeks views from stakeholders on certain specification matters affecting the public that will be provided to shortlisted bidders for the next TransPennine Express (TPE) and Northern rail franchises. The closing date for consultation responses is 18 August 2014 and the new TPE and Northern franchises are due to commence in February 2016.

2. Passengers now provide 60% of the rail industry's revenues[1]. Season ticket holders alone pay over £1.9 billion per year to travel on the railways. In its report 'Giving passengers a voice in rail services' [2], Passenger Focus makes clear that passengers expect to play a greater role than they have in the past in determining priorities for the new franchises procured on their behalf, by influencing what goes into the franchise specification. Views from passengers who travel on the Northern and TPE franchises, as well as from other members of the public, are therefore especially welcome.

3. The purpose of the consultation is to:

   - inform stakeholders of the planned process and timescales for awarding the TPE and Northern franchises;
   - provide stakeholders with background information about the current TPE and Northern services and the strategic planning and transport context of the new franchises;
   - advise stakeholders and potential funders of the objectives and expectations for the franchises;
   - give stakeholders an opportunity to comment on the requirements that might be included in the base case specifications and the options that might be considered; and

[1] £7.7 billion in 2012/13. (The Government's expenditure was £5.1 billion.)
[2] http://www.passengerfocus.org.uk/research/publications/giving-passengers-a-voice-in-rail-services

- invite potential funders to formally notify Rail Executive of any changes they may wish to purchase.

4. TPE and Northern will continue to be separate franchises with differing characteristics. However, as they are both due to commence in February 2016, and there is significant geographical overlap between them, we have decided to undertake a single consultation exercise on the new franchises.

5. The context and background to the two franchises is set out in Chapters 1 and 2 of this document. Chapters 3 to 6 set out what we are proposing to specify in the new franchises and ask questions about these proposals. Chapter 7 details other areas of the franchise that may be of interest, but which are not being consulted upon.

6. The two franchises have different challenges and opportunities. For TPE, we are asking detailed questions relating to all options currently under consideration for future train services, upon which we have already committed to consult. Many of these have been made possible by Network Rail's infrastructure investment programmes. For Northern, with its much larger network of routes and services, we are asking questions about the overall approach to specifying train services and the types of changes being considered.

Location of consultation questions

If you are interested only in TPE services, please turn to **Chapters 3** (paragraph 3.56 onwards), **4** and **5**.

If you are interested only in Northern services, please turn to **Chapter 6**.

Wider franchise considerations are explored in **Chapter 3**.

A full list of consultation questions is provided at **Annex A**.

7. Following the close of this consultation, we will publish a report summarising stakeholder views on both franchises and our conclusions on them. This will form a key reference document for the bidders for the two franchises, and will be published in December 2014, at the same time as the Invitations to Tender (ITTs). We will not reply individually to each consultation response.

8. In considering responses and developing the ITT, we will act in accordance with the obligations under the Equality Act 2010

and take account of the Public Contracts (Social Value) Act 2012.

Rail North

9. Following a public consultation[3], the Government has confirmed its commitment to implementing an appropriate form of rail decentralisation where sensible to do so.

10. In October 2013 Rail North, representing all the local transport authorities in the North of England[4], submitted a proposal to the Secretary of State for the devolution of services operated by the Northern and TransPennine Express franchises.

11. Rail North's vision is to create a world-class railway for the whole of the North of England, recognised by passengers and businesses as serving their needs, that supports economic growth and is both more effective and more efficient. In particular, supporting the economic aspirations of the North of England is the prime objective of Rail North's devolution proposal.

12. Reflecting the vision, and defined by its draft Long Term Rail Strategy[5], which sets the framework for how it believes railways in the North of England should be developed over the next twenty years, Rail North has three over-arching objectives for devolved rail services in the North of England.

1. To support economic growth by delivering more rail capacity and better rail connectivity
2. To improve the quality of the railways in the North, with a better offer for passengers to encourage more use
3. To deliver a more efficient railway and to secure greater value for money for the support from the public purse

13. In November 2013 the Secretary of State and leaders of the Rail North authorities agreed on an initial partnership structure to take forward devolved decision making on rail services in the North of England, to help manage the risks associated with a project of this scale.

[3] https://www.gov.uk/government/consultations/rail-decentralisation-devolving-decision-making-on-passenger-rail-services-in-england
[4] See http://www.railnorth.org/about/who-are-the-rail-north-partners/ for details of the constituent authorities
[5] http://www.railnorth.org/strategy/

14. In January 2014, the Secretary of State and the leaders of the authorities Rail North authorities confirmed further details of the partnership[6]. This includes:

- collaborative development of the Northern and TransPennine Express franchises, with Rail Executive in the lead and the Secretary of State retaining ultimate responsibility for all design and procurement decisions;
- formalisation of the Rail North decision-making structures, including establishment of a formal Leaders' Committee and a Special Purpose Vehicle (SPV) called Rail North Ltd; and
- development of an integrated partnership structure between Rail Executive and Rail North Ltd which would be capable of managing the franchises on behalf of the Secretary of State once they had been let, and providing a single interface with each franchisee.

15. The shared objectives that underpin this partnership are:

- Growing the railway to maximise the benefits of infrastructure investment and linking this to railway efficiencies;
- Having a platform for determining investment priorities within the partnership;
- Risk and reward sharing between members of the partnership, including the potential for revenue or profit-sharing mechanisms that could allow reinvestment into rail services; and,
- A partnership structure that allows the balance of risk to change over time.

16. Rail Executive is working closely with Rail North on the form of the integrated partnership structure, and on how decisions will be taken and risks shared, with the aim of confirming further details this summer.

17. In the meantime, the specification for each franchise is being developed collaboratively by Rail Executive and Rail North, in line with the Secretary of State's objectives and meeting the objectives of Rail North to the greatest extent possible.

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[6] http://www.railnorth.org/news/partnership-principles-agreed/

18. This consultation reflects that joint working, and is being carried out jointly by Rail Executive and Rail North ('us').

19. Between July and October 2013, Rail North consulted with the public on its draft Long Term Rail Strategy. A number of presentations and meetings were held with interested parties, and 111 responses were received from individuals and organisations. The consultation draft is available on the Rail North website.

20. The draft strategy was broadly supported by those consulted, and has been refined by Rail North in response to the detailed comments provided.

Passenger Focus

21. We are also working with Passenger Focus on the specification of service quality, informed by the report Passenger Focus produced setting out passengers' priorities for improvement of the two franchises.

Secretary of State's franchise objectives

22. The starting point for the development of any franchise specification is the establishment of clear objectives. The next Northern and TPE franchises will be expected to deliver a transformation in the way the railway serves its markets and communities in the North of England. We are seeking franchisees who will deliver benefits to passengers through increased efficiency, improved effectiveness and in collaboration with a range of stakeholders.

23. The new franchises will create an opportunity to rejuvenate this important part of Great Britain's railway and there will be ample scope for innovation and modernisation. At the same time it will be essential to secure further efficiencies, such as those identified in the McNulty report, to deliver better value for money to taxpayers and farepayers.

24. The Secretary of State's objectives for the new franchises are to (see overleaf):

Table 1.1 Franchise objectives	
Northern	**TPE**
Help the economy of the north of England thrive by offering good quality rail services for travellers across the region, with service levels that are appropriate to demand and provide sufficient passenger capacity, all while working within the affordability constraints on public funding	Help the economy of the north of England to thrive by offering competitive inter-regional rail services between urban centres, providing sufficient passenger capacity and expanding rail's mode share
Realise the benefits from rail investment in the north of England, ensuring the successful delivery of journey time, frequency, reliability and connectivity benefits for passengers	Realise the benefits from rail investment in the north of England, ensuring the successful delivery of journey time, frequency, reliability and connectivity benefits for passengers
Deliver excellence in customer service through all aspects of the passenger journey, including consistently high standards of performance and efficiency in the operation of train services	Deliver excellence in customer service through all aspects of the passenger journey, including consistently high standards of performance and efficiency in the operation of train services
Secure efficiencies in operation of the franchise through innovative and transformational approaches to operations, retailing and customer service, and at a whole-industry level by working in partnership across the rail industry	Secure whole industry efficiencies and help reduce overall industry costs by working in partnership across the rail industry
Support local communities to help deliver local transport integration, local regeneration and investment at and around stations	Support local communities to help deliver local transport integration, local regeneration and investment at and around stations
Improve social and environmental sustainability to reduce carbon emissions, use resources efficiently and build skills and capability within the business and supply chain	Improve social and environmental sustainability to reduce carbon emissions, using resources efficiently, and building skills and capability within the business and the supply chain

How to respond

The consultation period begins on 9 June 2014 and will run until 18 August 2014. Please ensure that your response reaches us before the closing date. If you would like further copies of this consultation document, it can be found at: https://www.gov.uk/government/publications?keywords=&publication_filter_option=consultations&departments%5B%5D=department-for-transport

or you can contact us using the details below if you need alternative formats (Braille, audio CD, etc.).

Please respond by filling out the consultation survey online at:

https://www.surveymonkey.com/s/7L2NGR7

or e-mail consultation responses to:

NorthernTPEconsultation2014@dft.gsi.gov.uk
or write to:

Northern TPE Consultation Co-ordinator
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0300 330 3000 (switchboard)

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.

There will be consultation events, including the following:

25 June 2014 (Edinburgh - TPE only)

3 July 2014 (Preston)

9 July 2014 (York)

If you would be interested in attending any of these events, please contact us using the details above.

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 Data Protection Act 1998 (DPA) and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties.

1. The Department for Transport and rail franchising

1.1 This section is to provide consultees with information relating to the system of rail franchising and is not for consultation.

The British Railway Industry

1.2 Rail Executive is responsible for procuring the majority of passenger rail services in Great Britain. It does this by means of direct awards and franchise competitions - the latter is a process through which private companies submit rival bids to run specified services on the network. Rail Executive designs, awards and manages franchise contracts. This includes ensuring franchisees meet their contractual obligations and overseeing fares and ticketing policy.

1.3 The GB railway industry broadly comprises:

- Network Rail, which owns and operates the fixed infrastructure (track, signalling, and the major city-centre stations).[7]
- Private sector franchise-holding companies (known as Train Operating Companies - TOCs), which run train services and operate most stations.
- Train leasing companies (known as ROSCOs), which own and lease out the passenger rolling stock.
- Private rail freight operators and some non-franchised "open access" passenger operators, which also contract with Network Rail to gain access to the network.
- HS1 Limited, which is the company which holds the HS1 Concession to operate Britain's first high speed railway, running from central London to the Channel Tunnel.
- The Office of Rail Regulation (ORR), which is the independent economic and safety regulator that oversees

[7] For statistical purposes, Network Rail will be reclassified in September 2014 as a central government body in the public sector

Network Rail's performance, and thus the relationship between Network Rail and its train operator customers.

1.4 The Secretary of State is responsible for providing strategic direction for the rail industry, including setting the overall public budget for the railways.

The Government's vision for rail

1.5 The Government's long-term plan is to build a stronger, more competitive economy and a fairer society. Rail is crucial to this and has an important role in the UK's economic recovery and growth. It provides access to markets, employment, leisure and tourism, and the rail sector provides over 200,000 jobs. It will also make an important contribution to rebalancing the economy.

1.6 The rail network performs certain functions much better than the competing modes of road and air and the Government's investment strategy plays to its strengths:

- It is a fast, cost-effective way to transport large numbers of people into city centres, supporting economic growth whilst minimising road congestion, urban pollution and carbon dioxide emissions.
- Rail provides the fast, high-capacity connections between cities and international gateways that businesses rely on.
- Rail is an efficient, high-capacity method of transporting goods around the country, especially access to and from key ports, with much less environmental impact than road and air freight.

1.7 Because rail is greener than air travel, and safer and greener than road travel, the government seeks to accommodate projected demand for rail where it is affordable and value for money to do so.

The Government's rail objectives

1.8 The Government is improving the network for the benefit of passengers, freight users and taxpayers, and to support the wider economic and environmental objectives. It aims to:

- Tackle capacity constraints, grow new markets and support wider housing and economic development plans

- Improve efficiency, spread demand, reduce costs and increase the long term value of the railway
- Increase standards in customer service, train performance and station facilities
- Improve social inclusion, accessibility and modal integration
- Maintain position as a safe and green mode of transport.

The franchising schedule

1.9 On 26 March 2013 the Secretary of State announced the publication of a detailed timetable for all rail franchise competitions over the next eight years - providing long-term certainty to the market and supporting major investments in the network. This was updated on 8 April 2014[8].

1.10 The programme is being implemented, emphasising an open approach that engages meaningfully with stakeholders and industry. As part of this new programme Rail Executive will seek innovative bids that provide value-for-money for taxpayers and put passengers right back at the heart of the railways.

[8] https://www.gov.uk/government/publications/rail-franchise-schedule

2. The current franchises

Introduction

2.1 This section sets out the context and background to the franchises and is not for consultation. It covers:

- Current routes and services
- Passenger numbers
- Passenger satisfaction
- Rolling stock
- Fares and ticketing
- Level of subsidy
- Community rail
- Operational performance

Current routes and services

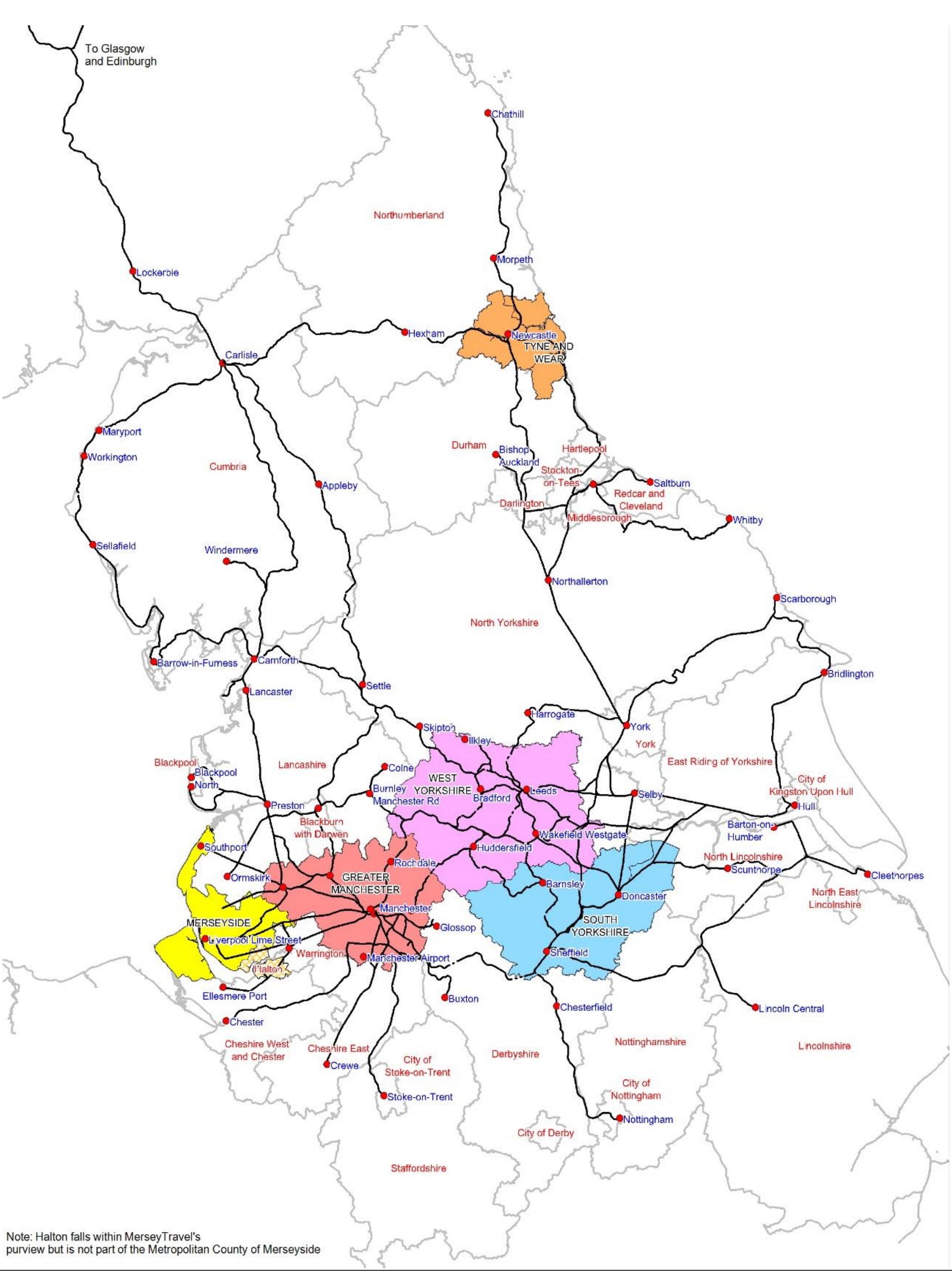
2.2 The Northern and TPE franchises primarily cover the whole of the north of England. TPE's services on the West Coast Main Line also extend north of the Scottish border to Glasgow and Edinburgh.

2.3 Between them, the two franchises serve a population of 15 million, over a quarter of the population of England. This includes all the major conurbations in northern England, in particular the five key centres of Leeds, Manchester, Liverpool, Newcastle and Sheffield.

2.4 The current franchises are operated by

- First/Keolis Transpennine Ltd (trading as First TransPennine Express)
- Northern Rail Ltd (a joint venture between Serco Group plc and Abellio)

Figure 2.1 The Northern and TPE Rail Networks



2.5 There is a great deal of interaction between TPE and Northern, and together the two franchises provide a comprehensive rail network in the North of England. Northern operates around 2550 trains every weekday, while TPE operates 335. In general, TPE provides longer distance inter-regional services, with Northern providing complementary local, commuter and rural services that serve a much larger number of stations throughout the region. However, TPE carries large numbers of commuters on some routes: e.g. Bolton-Manchester; Huddersfield-Leeds; York-Leeds. Northern services also fulfil an important role in providing local connectivity to TPE and other longer distance operators at main stations.

2.6 Other operators also provide some franchised services in the region:

Table 2.1 Other operators

Operator	Routes
Arriva Trains Wales	Chester and Warrington to Manchester Crewe to Manchester
CrossCountry Trains	Crewe and Stoke to Manchester Sheffield - Leeds - Newcastle - Alnmouth Sheffield - Doncaster - York Motherwell - Glasgow
East Coast	Doncaster to Leeds, Bradford, Skipton, Harrogate York - Newcastle - Morpeth - Alnmouth Leeds - York Doncaster - Selby - Hull (infrequent compared to Hull Trains)
East Midlands Trains	Manchester - Sheffield Nottingham - Sheffield Liverpool - Manchester Sheffield - Leeds
London Midland	Crewe - Liverpool
Virgin Trains (West Coast)	Stoke and Crewe - Manchester Warrington - Preston - Carlisle - Glasgow/Edinburgh
Scotrail	Carlisle - Glasgow via Dumfries

2.7 First Hull Trains and Grand Central also offer services on the East Coast Main Line, as 'open access' operators[9], while the Metro rapid transit system in Tyne & Wear (operated by DB Regio on behalf of Nexus) shares service provision with Northern between Pelaw and Sunderland.

2.8 Most stations in the area covered by the franchises are managed by Northern and 30 are managed by TPE but some are managed by Network Rail or others. A list of the stations not managed by TPE or Northern can be found in Annex D.

2.9 According to ORR, of the 463 stations managed by Northern, 67 have particularly low levels of use, with fewer than 200 passenger entries and exits per week. 53 of these see fewer than 10 return trips per day.[10]

2.10 Local authorities (including PTEs/Combined Authorities) have supported substantial station investment in local stations across the North of England. Stations have been developed and refurbished and specific facilities, such as enhanced passenger information and CCTV, have been provided. In some areas the provision of or increases in station staffing have also been as a result of such investment; in certain locations staff not only sell rail tickets, but also provide tourist information, sell tickets for other public transport modes, and provide a valuable human presence.

Passenger numbers

2.11 At the national level, rail use has increased steadily over the last 10 years. Over the last year, passenger journeys on franchised rail services increased by 3.5% (Q3 2012/13 to the year ending Q3 2013/14)[11].

2.12 This is reflected in the increases in passenger journeys seen on Northern (3.6% per year between 2004/05 and 2012/13) and TPE (3.4% per year between 2009/10 and 2012/13[12]).

2.13 In 2012/13 there were 24.9 million passenger journeys on TPE, and 89.8 million on Northern. Between 2002 and 2012, rail demand in the North of England grew by a total of 66%.

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[9] Having applied to the Office of Rail Regulation to operate passenger services not otherwise provided.
[10] http://orr.gov.uk/statistics/published-stats/station-usage-estimates
[11] 2013-14 Quarter 3 statistical release – passenger rail usage (ORR, February 2014) http://orr.gov.uk/__data/assets/pdf_file/0013/10651/passenger-rail-usage-quality-report-2013-02-20-q3.pdf
[12] Before 2009/10, TPE did not operate services into Scotland and so figures from before this period have not been used.

2.14 The recent demand growth has led to overcrowding on many services. Passenger Focus has identified overcrowding on Northern and TPE trains as a major concern for passengers.

2.15 The additional capacity provided on TPE routes from May 2014 will help reduce crowding but is also expected to drive new demand.

2.16 According to Rail North's analysis, the demand for rail travel will continue to grow by around 2.5% a year across the North of England, leading to a 50% increase by 2029.

2.17 Demand for rail travel in the North of England is dominated by the conurbations of Manchester and Leeds, with significant numbers of commuters travelling by rail in and out of the two city centres.

2.18 The Government's Rail Investment Strategy for the railways in the period up until March 2019 includes the numbers of arriving passengers to be accommodated on services into Leeds and Manchester, on a weekday morning in the three hour peak and in the high-peak hour:

Table 2.2 Number of passengers to be accommodated into Leeds and Manchester

	Peak Three Hours		**High-Peak Hour**	
	Forecast demand in 2013/14	Extra demand to be met by 2018/19	Forecast demand in 2013/14	Extra demand to be met by 2018/19
Leeds	25,400	5,100	13,000	2,800
Manchester	28,100	6,200	13,600	2,600

Source: HLOS (2012)

2.19 The growing demand for air travel will also drive increases in the number of rail journeys. In particular, by 2020 passenger numbers are expected to increase by 5 million at Manchester Airport compared with 2010[13], an important destination for rail travellers in the North.

Passenger satisfaction

2.20 Every year, Passenger Focus surveys more than 50,000 passengers to produce the National Rail Passenger Survey

[13] UK aviation forecasts (Department for Transport, 2011) http://assets.dft.gov.uk/publications/uk-aviation-forecasts-2011/uk-aviation-forecasts.pdf

(NRPS) - a network-wide picture of passengers' satisfaction with rail travel.

2.21 Over the last seven years, overall satisfaction (the proportion of passengers who were fairly or very satisfied) with First TransPennine Express services has been broadly similar to that of comparable long-distance franchises[14]. However, it has been slightly below average for the last few years and significantly lower than the best franchise in its class.

2.22 Passenger Focus' figures suggest crowding is a significant issue on some First TransPennine Express services: passenger satisfaction with room to sit or stand is the lowest of any train operator. There are also passenger concerns about the lack of luggage space, and its impact on crowding, on trains serving Manchester Airport.

2.23 Overall satisfaction with Northern's services has over the last seven years been below that of comparable regional franchises[15]. As figure 2.3 overleaf demonstrates, it is also significantly lower than the best franchise in its class.

2.24 Passenger satisfaction with Northern's stations is slightly below that of comparable regional franchises. Satisfaction with train facilities is generally much worse at 9 percentage points below the average for regional franchises. In particular, at 59% satisfaction with the upkeep and repair of Northern's trains is 11 percentage points lower than the average of the other comparable regional operators, with over 20% of respondents expressing dissatisfaction. This disparity has increased in recent years and reflects the age and quality of rolling stock operated on Northern.

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[14] CrossCountry, East Coast, East Midlands Trains, and Virgin Trains
[15] Arriva Trains Wales, MerseyRail and ScotRail

Figure 2.2 NPS overall satisfaction with TPE

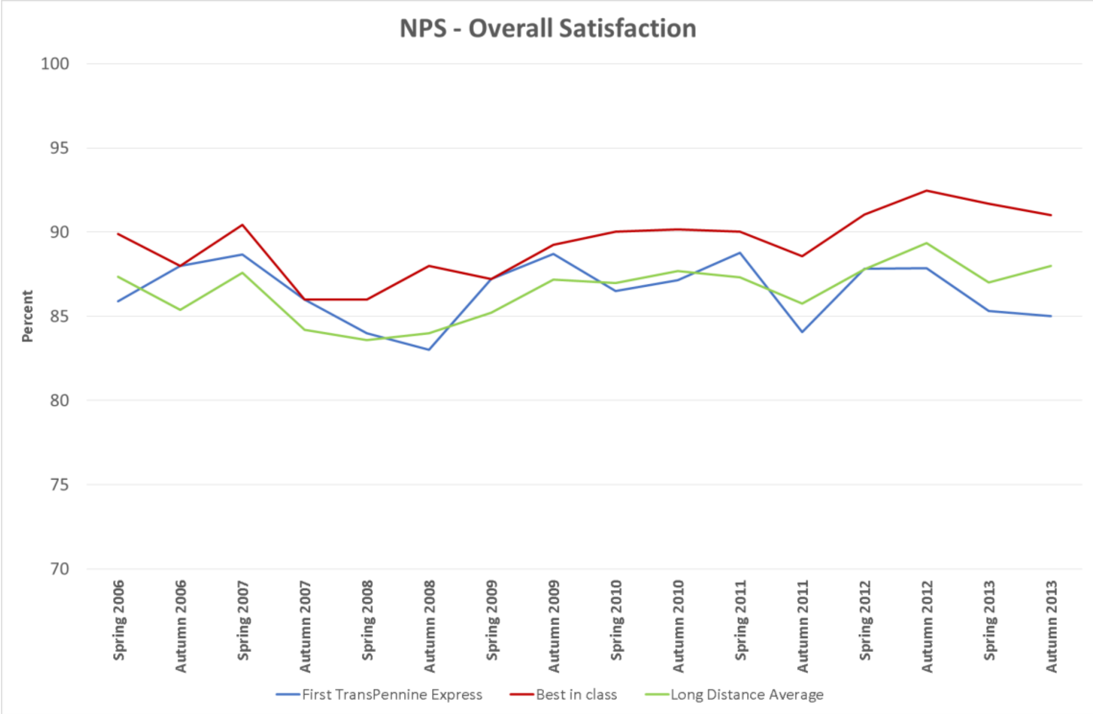
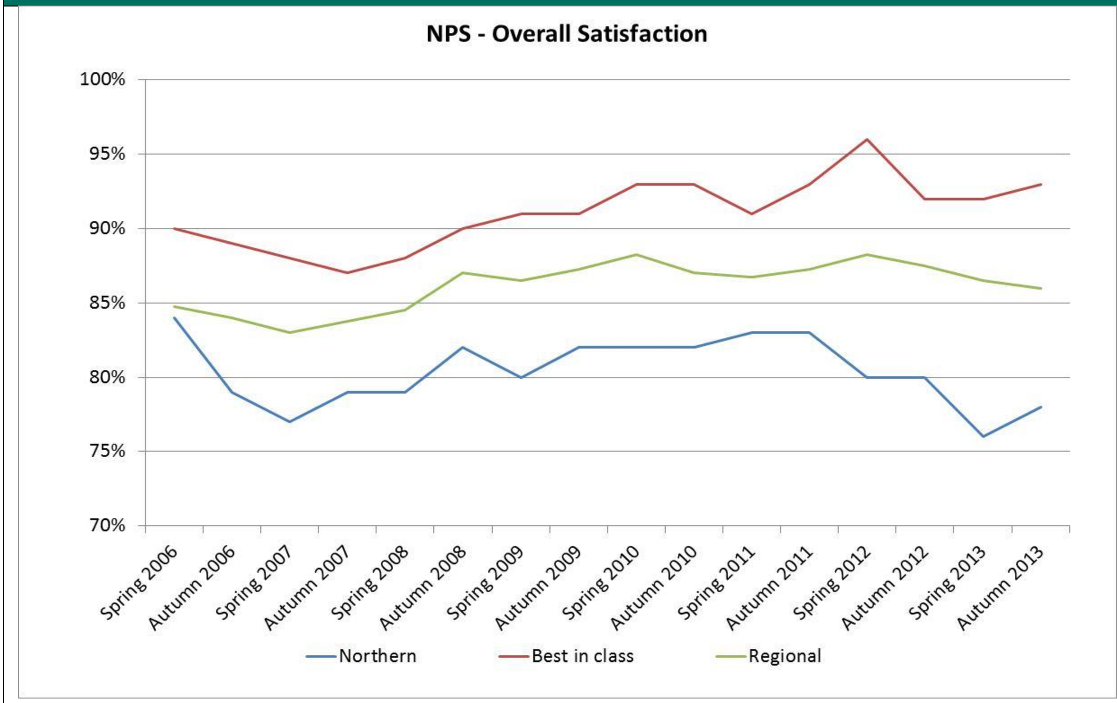


Figure 2.3 NPS overall satisfaction with Northern



2.25 In December 2012, Passenger Focus published a report of its research into what passengers want from the TPE and Northern franchises.[16] Whilst overcrowding and provision of

[16] http://www.passengerfocus.org.uk/research/publications/passenger-views-of-northern-and-transpennine-rail-franchises

sufficient seat capacity and luggage space was a priority area for improvement on both franchises, passengers on Northern were also concerned about the quality of rolling stock (including the environment on board the trains), station access and ease of getting on and off.

2.26 Provision of appropriate facilities or opportunities to enable passengers to purchase tickets and reduce the number of passengers travelling without a ticket was also considered a priority area to be addressed on Northern.

Rolling stock

TransPennine Express

2.27 First TransPennine Express has one of the newest fleets of any train operator, with an average age of under 8 years. The franchise currently operates three rolling stock types:

- Class 185 diesel multiple units (introduced from 2006)
- Class 170 diesel multiple units (until 2015)
- Class 350 electric multiple units (introduced from 2013)

2.28 First TransPennine Express is currently developing options for replacing the Class 170 trains, which are to be leased from their owner by another operator from April 2015.

Northern

2.29 There is a variety of rolling stock on the Northern franchise. Most of the trains are diesel (87%), with the remainder being electric. The average age is over 24 years, with few trains under 20 years old.

2.30 The most common type of train is the 'Pacer', the Class 142 and 144 diesel multiple unit (DMU) railbuses used across the network. These railbuses do not comply with European standards for accessible trains[17] and will require adaptation or replacement by 2020 at the latest.

2.31 Northern also operates a large fleet of 'Sprinter' type trains dating from the 1980s. These trains also do not yet meet the accessibility standards. Only some of Northern's fleet has customer information systems.

[17]The European Technical Specification for Interoperability for Persons with Reduced Mobility, which came into force on 1 July 2008

Fares and ticketing

2.32 Many fares are at levels that are comparable with those for similar journeys elsewhere on the network, but some prices are significantly below the norm. This is particularly the case for some season tickets in the Leeds and Manchester areas, including zonal and multi-modal tickets.

2.33 Evidence suggests that a relatively high proportion of journeys on Northern is made without a valid ticket - either intentionally or because there is no option of buying a ticket. This is a particular problem on certain routes and is attributed to a range of factors:

- unstaffed stations
- lack of ticket machines
- lack of ticket checks, due to overcrowding in the peak and conductors being busy with door operation
- no Penalty Fare regime

2.34 Ticketless travel breeds resentment amongst passengers who have bought a ticket, and represents a stream of lost revenue income for the train operator. It is important for current and future operators to reduce the rate of ticketless travel and make it easier to purchase tickets at stations.

Subsidy

2.35 If support to Network Rail is included, on average it costs the taxpayer 53p for every mile travelled by each passenger on Northern. For TPE the figure is 16p.

2.36 Although it has been falling since 2008/09, Northern has the highest subsidy per passenger mile of any franchise managed by Rail Executive. Passenger fare revenue represents only 36% of annual turnover, with direct financial support from the Department for Transport and via the PTEs/Combined Authorities amounting to £324 million in 2012/13. The net subsidy to TPE amounted to £41 million.

2.37 This subsidy helps meet important local and regional connectivity needs, linking rural and/or economically deprived communities with employment, education and other services in the urban centres.

2.38 Nonetheless, improving efficiency will be a key focus of the new franchises, within the context of the Government's work to reduce the cost of the railways.

Community Rail

2.39 The North of England contains a number of routes which have been formally designated by the Department for Transport as community rail lines (covering tracks, signals, stations and services) and / or community rail services (covering stations and services). Most of the designated lines are on routes currently operated by Northern.

2.40 Community Rail embraces a diversity of routes across the North of England including:

- inter-regional services such as the Tyne Valley;
- commuter lines such as Clitheroe to Manchester; and
- slower speed branch lines such as Preston to Ormskirk, and Esk Valley.

2.41 All designated lines have a community rail partnership (CRP) made up of representatives from the public, private and voluntary sectors with the primary aim of increasing the viability of their line. CRPs receive financial support from Northern Rail and First TransPennine Express, as well as from local transport authorities. This enables them to employ Community Rail Partnership Officers who are responsible for delivering the agreed actions of the CRP.

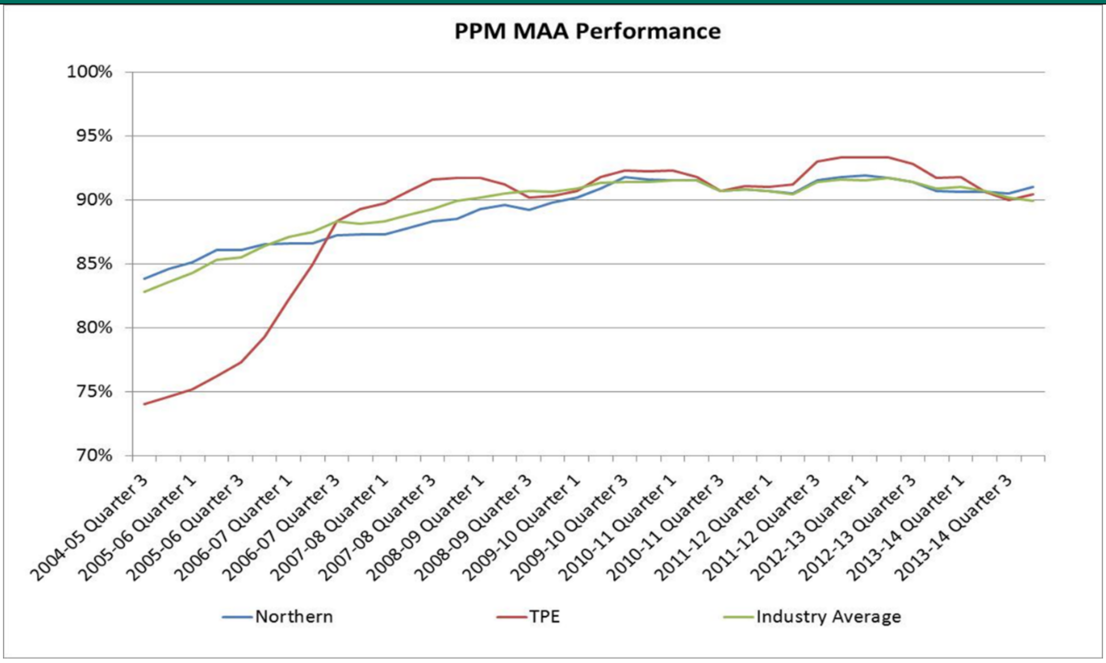
2.42 Annex C sets out the community rail services now operated.

Operational performance

2.43 Punctuality and reliability of service matters to rail passengers. Train operating companies are assessed against the Public Performance Measure (PPM), which shows the percentage of trains which arrive at their destination within five minutes of the timetabled time or, for long distance operators including TPE, the percentage of trains arriving within ten minutes.

2.44 As shown in figure 2.4, Northern and TPE both track very slightly ahead of the PPM moving annual average for the industry as a whole, at 90.5% and 90% respectively.

Figure 2.4 Northern and TPE operational performance



Source: ORR

3. Infrastructure investment: new franchise opportunities and trade-offs

Introduction

3.1 Major investment by Network Rail coupled with the re-franchising of Northern and TPE means that this is a period of significant opportunity for the North of England's rail network.

3.2 This chapter provides background in relation to the infrastructure investment being made, and the opportunities presented by this for future franchises in the North of England. This is intended to assist consultees in responding to the questions set out in this document.

3.3 It also explores the challenges posed by the need to secure efficiencies in the operation of an affordable franchise and asks questions about the trade-offs that may need to be made between different aspects of the North's train services.

3.4 Given these constraints, Rail Executive and Rail North are seeking an innovative approach to managing rail services across the North. We welcome responses from stakeholders, passengers and the general public to the questions set out in this chapter.

Infrastructure Improvements

3.5 Network Rail is investing heavily in the North of England as part of its overall £3.5 billion investment in the railways in the period up to 2019[18] and major projects are under way to improve the infrastructure. Most importantly, these include:

- the ‘Northern Hub’;
- North-West Electrification; and

[18] This investment was set out by the Government in its High Level Output Specification for the railways for Control Period 5, which began on 1 April 2014 and ends on 31 March 2019: https://www.gov.uk/government/publications/high-level-output-specification-2012

- Trans-Pennine Electrification.

3.6 By improving connectivity, these three projects will create the opportunity for improved train services: more capacity and quicker journeys will be of benefit to passengers and support the economy of the region.

3.7 Through the new Northern and TPE franchises, we are seeking to secure these benefits in the most advantageous way possible.

Northern Hub

3.8 The Northern Hub is a programme of targeted upgrades to the railway in the North of England which, by December 2018, will allow up to 700 more trains to run each day and provide capacity for up to 44 million more passengers a year. This in turn will have significant economic benefits for the North of England as enhanced connectivity between Northern centres and faster and more frequent travel opportunities will be provided. The upgrades associated with the Northern Hub programme of work are set out below.

The Ordsall Chord

3.9 The Ordsall Chord is a new section of railway to be completed by December 2016. It will directly link Victoria and Oxford Road and Piccadilly stations in Manchester, allowing services between Victoria, Oxford Road, Piccadilly and Manchester Airport.

Increased capacity and 'line speed' improvements

3.10 A number of other infrastructure upgrades are to be completed by December 2018 in order to provide more frequent, quicker services:

- A new island platform on the through lines at Manchester Piccadilly, and extra tracks between Piccadilly and Oxford Road stations, to increase the number of passenger and freight trains that can run through the 'Castlefield Corridor' between Ordsall Lane and Manchester Piccadilly.

  This, together with the Ordsall Chord, will enable trains on the Rochdale and Calder Valley line to provide direct services to Manchester Airport.

- Extra capacity on the route between Liverpool and Manchester via Newton-le-Willows

- An extra platform at Manchester Airport station
- A new facility at Rochdale to enable more local trains to terminate at the station
- Platform extensions at various stations to accommodate some longer peak trains
- An increase in the capacity of the ‘Hope Valley’ route between Manchester and Sheffield
- Work to allow trains to run more quickly ('line speed' improvements) on routes between Manchester and Sheffield, Manchester and Preston and Manchester and Bradford

3.11 Work is also underway to examine the benefits of major improvements between Manchester and Blackpool, and Leeds and York.

North West electrification

3.12 Network Rail has embarked on a £400 million project to electrify routes in the North West. This will allow faster, more frequent and environmentally cleaner services. Key sections of the Northern franchise route to be electrified are:

- Manchester-Liverpool via Newton-le-Willows (by December 2014)
- Liverpool-Wigan (by December 2014)
- Manchester-Bolton-Preston (by December 2016)
- Manchester-Stalybridge (by December 2016)
- Preston-Blackpool North (by March 2017)

North Trans-Pennine Electrification

3.13 The Manchester-Huddersfield-Leeds-York/Selby trans-Pennine route will be fully electrified by the end of 2018 which will enable the introduction of electric rolling stock, new service patterns and some journey time improvements. This electrification is to take place in stages between 2016 and 2018.

Windermere Branch electrification

3.14 In August 2013, the Government announced that it is keen for the Windermere branch to be converted to allow electric trains to run on the route. The aspiration is for direct electric services to Manchester to be introduced by 2016. Subject to the business case confirming that the project provides good value for money, Network Rail will be asked to undertake the work in conjunction with other North West rail electrification projects.

Further electrification

3.15 In December 2013, the Department for Transport announced electrification of the Wigan to Bolton route, subject to business case, and the establishment of a joint taskforce with Network Rail to study options for further electrification across the North of England.

3.16 This taskforce is working with train operators, local authorities and Rail North, the supply industry and local Members of Parliament to produce an interim report within 12 months setting out how further schemes can be progressed and development accelerated. The routes to be examined will include, but are not limited to[19]:

- Doncaster - Selby – Hull
- East Coast Main Line – Middlesbrough
- Leeds – Harrogate – York
- Sheffield – Leeds (via Moorthorpe)
- Sheffield – Doncaster
- Sheffield – Manchester
- Warrington – Chester
- Crewe – Chester

Franchise replacement process

3.17 The new Northern and TransPennine Express franchises will begin in February 2016.

3.18 The Rail Franchising Competition Guide[20], published in June 2013, describes the generic processes the Department for Transport intends to follow for a franchise competition. Rail Executive expects that the competitions for the Northern and TPE franchises will be run broadly in line with these processes[21].

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[19] For the original list announced by the Secretary of State in December 2013, see: https://www.gov.uk/government/news/road-and-rail-projects-to-boost-local-and-regional-transport--2
[20] https://www.gov.uk/government/publications/franchise-competition-process-guide
[21] See paragraphs 7 and 8 of the Rail Franchising Competition Guide.

3.19 The current timescales for the refranchising process of Northern and TPE are set out in Annex E. The process commenced in May 2014 and has a series of planned stages leading up to the commencement of the franchises in February 2016.

Franchise lengths

3.20 The length of each franchise is based on commercial considerations and the overall franchising programme. A length of seven to nine years for the new TPE franchise is being considered, with the option of a one-year extension at the discretion of the Secretary of State.

3.21 For Northern, a length of eight to ten years is being considered, with the option for a one-year extension at the discretion of the Secretary of State.

The new franchises

3.22 We are committed to specifying new franchises that make a greater contribution to the prosperity of the North of England, in order to underpin the £3.5 billion investment in new infrastructure. We want rail services that drive forward growth and bring about a transformation in overall rail service provision. We are working together to achieve these aims, and will be seeking innovative and different ideas from bidders to maximise the potential opportunities

3.23 For the new franchises to be affordable, particularly given the level of current public subsidy, it will be essential that they are operated in the most efficient manner and we are carefully considering where it may be possible to improve efficiency. This would allow the available taxpayer funding to be targeted differently so as to achieve our overall objectives for the railway to make a greater contribution to the economy and communities of the region.

3.24 Whilst we have some areas we are considering, we are also keen to understand others' views in relation to this matter. Certain trade-offs may be required and we are keen to understand where it is felt these may be best made. Consultation questions on this subject are included within this chapter.

3.25 We are keen to seek innovation through the re-franchising process and it is envisaged that both new franchisees will take full revenue and cost risk for the duration of the franchises.

This means that they will bear the consequences of any differences in the revenue from ticket sales and any other revenue streams they may generate, when compared with the forecasts made in their bids.

3.26 It is believed that taking revenue risk incentivises train operators to act in a commercial and innovative manner that will drive growth in the franchises whilst minimising costs. Profit is the reward for the risks that the franchisees take in doing so.

Franchise efficiency

3.27 Some areas we are considering for improving franchise efficiency are described below.

Staffing

3.28 Passenger Focus research has consistently shown that passengers value the presence and availability of staff. Visible staff provide reassurance to infrequent travellers, assistance when services are disrupted, and a deterrent to fare evasion and antisocial behaviour. Bidders will be encouraged to develop proposals that provide a greater level of effective staff presence, whilst realising significant efficiencies in areas which contribute less to meeting the needs of passengers.

3.29 For example, trains across the region are currently operated with both a driver and guard. However, on almost a third of train services in Great Britain, including many recently electrified routes, everything is controlled by the driver in what is known as 'driver only operation' (DOO), with no need for a conductor or guard to operate the doors, or for train despatch. This means any other staff on-board the train are able to focus on customer service and revenue protection.

3.30 On the Northern franchise, we expect to require bidders to set out how DOO may be introduced onto suitable services. On TPE, this will be left at bidders' discretion.

3.31 Bidders will also be invited to set out how they will introduce more modern approaches to ticket retailing: making greater use of new technology, reviewing the opening hours of ticket offices and considering how best to deploy station staff and the duties they perform.

3.32 Efficiencies in back-office and support functions are also expected from the new franchisees.

Closer collaboration with Network Rail and others

3.33 The new franchisees will be expected to undertake work jointly with Network Rail on a number of areas, including:

- Timetable development in order to secure passenger benefits from planned infrastructure investment
- Reducing operational costs, including at stations
- Reducing strategic asset management costs, including at stations
- Reducing whole-industry project costs
- Improving train service performance
- European Rail Traffic Management System deployment
- Introduction of electric train fleets on North West and North TransPennine, and other routes to be electrified

3.34 This might include forming an alliance appropriate to the multi-operator nature of the routes within the area of the two franchises, with the aim of reducing industry costs and maximising value.

3.35 Practical steps will also be taken to eliminate duplication of activities between the franchisee and Network Rail.

Devolution of management within the Northern franchise

3.36 Consistent with the Government's evolutionary approach to rail devolution in the North of England, Rail Executive and Rail North recognise that opportunities exist for greater local focus and involvement within the Northern franchise.

3.37 We will encourage bidders and the next franchisee to explore the scope for innovative local delivery models, in particular on relatively self-contained parts of the network. The objective would be, by working in partnership with local interests, to improve both the efficiency and the local benefits generated by those services.

3.38 The North East, which has a distinct and largely self-contained local rail network that partly shares infrastructure with the Tyne and Wear Metro, represents a particular opportunity. Supported by an appropriately-devolved level of franchise management, there is the potential for delivering real and meaningful local influence over the delivery of local rail services in the North East of England to local authorities in that area in the future.

3.39 Bidders may therefore be required to set out how they will establish a distinct 'North-East' business unit within the franchise, subject to the agreement of the Secretary of State.

Trade-offs

3.40 Both franchises are seeing strong growth in demand and experience crowding at times; we would wish the next franchises to provide additional capacity to meet this demand. As demand patterns change there may be a stronger case for improving some weekend, early and late services, but the additional revenue from this may not cover the additional costs. At the same time there are many very lightly-used services and stations, especially among those operated by Northern.

3.41 This all points to the need to redistribute the available resources to match current and future needs, while protecting those services which are genuinely essential. There are three particular areas where trade-offs could be made:

1. Fares
   As set out in Chapter 2, some areas have fares significantly below what is found elsewhere on the network, for historic policy reasons. The wider economic benefits of doing so need to be considered, but increasing those fares to levels more in line with the rest of the network could help to pay for better services, so long as this does not impose costs on other bodies that do not have the capacity to bear them.

2. Rolling stock
   We firmly believe the rolling stock on Northern services needs to be improved so that passengers recognise a step change. But the more expensive the trains (and brand-new trains are likely to be the most expensive option of all), the harder it will be to justify current service levels where demand is low, and to afford to improve services where demand is increasing.

3. Ticket offices
   We also need to consider how we can enable efficiencies in working practices, such as reducing the opening hours of lightly-used ticket offices, to promote new ticketing technologies and to help to fund a higher level of visible staff presence where passengers most value it: for example

on trains providing customer service and protecting revenue, and at stations when passengers need it for accessibility, safety and security, reassurance and ticket sales. The Fares and Ticketing Review: Next Steps[22], published in October 2013, announced plans to improve the way the Department for Transport manages approvals for changes to ticket offices with incentives for train companies to modernise ticketing facilities, whilst providing appropriate safeguards for passengers.

Trade-offs Questions

TO1: What are your views on increasing below-average fares over time to levels typical on the rest of the network in order to improve the frequency, capacity and quality of local services? Do you have any evidence to support your views?

TO2: What are your views on giving priority to improving the quality of the Northern rolling stock at the expense of some reduction in lightly used services (e.g. fewer calls at low-use stations)? Do you have any evidence to support your views?

TO3: What are your views on allowing some reduction in the hours ticket offices are open and staffed if this is accompanied by the ability for passengers to have widespread access to ticket buying opportunities (e.g. through new and improved approaches such as smart ticketing, increased advance purchase ticketing or via mobile phones), adequate measures to ensure vulnerable passengers are not disadvantaged and more effective customer service by both station and on-train staff? Do you have any evidence to support your views?

Community rail and other partnerships

3.42 Community rail partnerships (CRPs) are designed to support and develop the local rail network and create links between the community, businesses and the railway. This can also include seeking ways to improve facilities on stations through sponsorship and station adoption schemes.

3.43 All CRPs contribute to the objectives set out in the 2004 'Community Rail Development Strategy' as updated by the Department in 2007. These are to:

[22] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/249001/fares-ticketing-next-steps.pdf

- increase patronage and revenue;
- engage with the local community;
- manage costs; and
- support social and economic regeneration of their area.

3.44 CRPs have been very successful in increasing awareness and use of their services, with results often exceeding national trends for regional services. Partnership working has been key to their effectiveness. In addition, many CRPs and Station Partnerships have been instrumental in securing and funding innovative station development projects ranging from the new eco station at Accrington to the 'Harrington Hump' and the eco passenger waiting shelter, both developed in Cumbria in association with the CRP.

3.45 We expect bidders for the Northern and TPE franchises to demonstrate a commitment to work with CRPs over the life of the franchises.

3.46 Moreover, we wish to encourage local communities, local businesses and local government to build upon the existing partnerships in place and to come forward with their own proposals to partner with the train operators - to increase the contribution made by the railway and get the best value out of the public funding available.

Community rail and other partnerships question

COM1: How can local communities, local businesses and other organisations be further stimulated to play an active part in the running of Northern and TPE rail services, including at stations?

COM2: What opportunities are there for Community Rail Partnerships to expand their role and range of activities?

Third party funded changes

3.47 In addition to its base case specification, Rail Executive may ask bidders to submit prices for certain defined options (known as 'priced options'). These could involve the provision of additional services or, in certain circumstances, a reduction in the level of service from that proposed in the base case. Additions or reductions proposed by other funders might also be taken forward in the base specification or as priced options.

3.48 Any proposed changes from third parties must:

- be to the benefit of passengers;
- 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).

3.49 Where such proposals satisfy these criteria, Rail Executive will consider including them in the base specification or as priced options. The deadline for the submission of any proposed additions or reductions is the close of the consultation period (18 August 2014).

3.50 Rail Executive and Rail North are currently aware of the following options likely to be requested by third-party funders:

- A new train service between Manchester and Blackburn via Rochdale and Burnley, using the newly re-instated Todmorden Curve, to be funded by Lancashire County and Burnley Borough Councils. Discussions between the Councils and Northern are ongoing and they currently expect this service to be introduced before the new franchise starts;
- An enhanced train service between Bolton and Blackburn, to be funded by Blackburn with Darwen Council; and
- Re-instatement of train services between Newcastle and Ashington, to be funded by Northumberland County Council.

Third party funded changes question

TPF1: Are you aware of any proposals for third party funded changes not already indicated? Please provide details.

Future impacts on demand

3.51 As set out previously the demand for rail travel in the North of England is expected to increase (for example Rail North predicts an increase of 2.5% a year). Rail Executive will prepare forecasts of demand reflecting expected changes in economic growth, population, service provision and fare levels, amongst other factors.

3.52 At the local level, demand for rail travel may be driven by changes in employment patterns, or new industrial, residential or retail developments, amongst other factors. These are important considerations when specifying the new Northern and TPE franchises.

> **Future impacts on demand question**
>
> FID1: What factors may impact on demand for travel on the new Northern and TPE franchises? Please provide any evidence you may have.

Door-to-door journeys

3.53 In March 2013, the Government published its strategy for improving sustainable transport integration, 'Door to Door'[23]. The Government's aim is to encourage and enable more people to make more of their door-to-door journeys by sustainable means: public transport, supported by walking and cycling.

3.54 As set out previously, our aim for the Northern and TPE franchises is to deliver improvements in ticketing, better information provision (through the incentivisation of service quality) and more accessible rolling stock - three areas of focus for the door-to-door strategy.

3.55 A fourth area of focus is improving the ability for people to transfer between different modes of transport. Rail Executive and Rail North therefore welcome suggestions on how to improve the connections between Northern and TPE services and other modes of transport:

> **Door-to-door journeys - questions**
>
> DTD1 What are your proposals for providing passengers better and safer access to different modes of transport at stations (including bus, tram, cycling and walking?)
>
> DTD2 How do you suggest your proposals to improve the door-to-door journey experience might be funded?

Train service changes

3.56 We are interested in views on changes to service patterns and levels which might be made in support of the objectives for the

[23] https://www.gov.uk/government/publications/door-to-door-strategy

Northern and TPE franchises. Options for both franchises will be considered in parallel to ensure that they complement each other to produce a coherent overall network. The indicative options for changes to services upon which we are seeking views are set out in Chapters 4 (Northern TransPennine services), 5 (South TransPennine and North West TPE services) and 6 (Northern services).

3.57 TPE has a fairly simple network which will be significantly impact by the planned infrastructure changes. The proposals for changes to TPE train services are therefore set out in some detail. For Northern, a much larger franchise with many more routes and services, we are taking a different approach to ensure we consult in a meaningful way: Chapter 6 sets out the approach and the types of changes under consideration.

3.58 With the new franchises due to commence in February 2016, the next train operators will have only very limited scope to influence the train services and timetables to be operated from December 2016, a key output stage for the investment projects. These timetables will therefore be developed by the current operators, working with Network Rail under guidance from Rail Executive.

3.59 Different train service requirements will be specified over the life of the franchises to ensure that the benefits of the Northern Hub and electrification are realised.

3.60 The final stage in the current investment programme should enable further service improvements from December 2018; the specifications for the franchises will outline requirements from this point in full. The next franchisees will develop their own timetables and resource plans working through normal industry processes. Where it is practicable for some features of the December 2018 specification to be introduced earlier, bidders will be free to propose this.

Form of specification

3.61 The approach to the development of the specification for Northern train services is set out in Chapter 6. For TPE, we believe that the operator should have flexibility to develop the train service to meet the needs of passengers. We intend to set the train service specification so that operational and timetabling decisions are devolved to the franchisee while protecting key outcomes for passengers, the economy, and the taxpayer.

3.62 This means that we do not propose to specify a particular timetable or service pattern for TPE, but instead to have a more flexible train service specification which could include the following service characteristics (note that these would be specified separately for weekday, Saturday and Sunday services):

- Number of calls at each station per hour/per day
- Specified first and last trains, including specific consideration of Manchester Airport services
- Certain calling patterns

3.63 This would give the franchisee the freedom to develop services to respond to changes in passenger demand and to grow the market in the areas where there are commercial incentives to do so as well as protecting minimum service levels for social and economic purposes on the remainder of the TPE network.

TransPennine Express train service specification - questions

TPE1: What are your views on the degree of flexibility proposed for the train service specification for the new TPE franchise? Do you have any evidence to support your views?

TPE2: Where, if anywhere, would you like to see any changes to first and last trains on the TPE network and why? Do you have any evidence to support this?

TPE3: Where, if anywhere, would you like to see any changes to weekend trains on the TPE network and why? Do you have any evidence to support this?

Franchise scope

3.64 We are interested in views on transferring some services between the Northern and TPE and East Midlands Trains (EMT) franchises – a process known as 're-mapping'. The aims would include the delivery of efficiencies enabled by current infrastructure projects (e.g. North West electrification - see Chapter 3) and alignment of services more closely with the business characteristics of the individual franchises.

3.65 The current proposals which may affect the Northern and TPE franchises are:

Transfer from TPE to Northern:

- Manchester Airport to Blackpool North
- Services to Windermere
- Barrow-in-Furness to Lancaster/Manchester Airport
- York to Scarborough
- Doncaster to Cleethorpes

Transfer from Northern to TPE

- One train per hour Doncaster to Hull (one train per hour to remain with Northern)

Transfer from EMT to TPE:

- the Nottingham – Liverpool portion of the existing EMT Norwich –Liverpool service

Transfer from Northern to EMT:

- Cleethorpes to Barton-on-Humber (if Doncaster - Cleethorpes remains with TPE)

These franchise remapping proposals may result in a number of stations being operated by a different franchisee.

3.66 These proposals are subject to this consultation. See Chapters 4, 5 and 6 for further details.

4. North TransPennine train service options

Introduction

4.1 Chapters 4 and 5 consider the TPE train services for December 2018, including those that have been made possible by the Government's investment in rail infrastructure in the North of England described in Chapter 3.

4.2 This chapter focuses on North TransPennine services; the options for services on the South TransPennine and North West routes made possible by the Northern Hub package of works are explored in Chapter 5 in the context of the wider changes being considered on those routes.

4.3 For both the TPE and Northern franchises, North West electrification will mean the introduction of electric trains on certain services. These trains are more reliable, may have more carriages, and allow faster journeys.

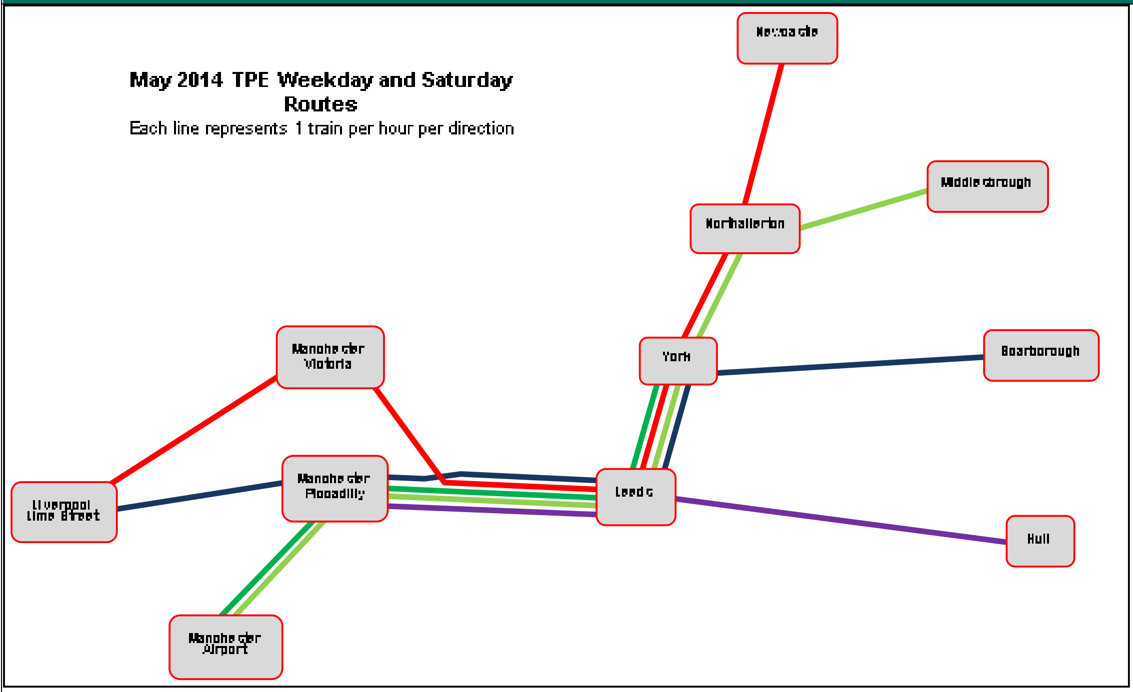
4.4 The TPE train service specification explored in this chapter and Chapter 5 is open to change, including as a result of responses to this consultation. We welcome responses from stakeholders, passengers and the general public to the questions set out.

Frequency and capacity

4.5 There are currently five TPE services per hour on the North TransPennine route as shown in Figure 4.1.

4.6 Following completion of the Northern Hub investment programme set out in Chapter 3, it will be possible to operate longer and more frequent trains on the North TransPennine route. It is also likely that the investment will result in reduced journey times between Manchester and York.

Figure 4.1 May 2014 North TransPennine services



4.7 We are interested in views on whether to specify five or six TPE trains per hour on the core of the North TransPennine route (i.e. between Manchester and Leeds) from December 2016 and/or December 2018. This requires an assessment of the costs and benefits of the increased service frequency and the resultant reductions in waiting time, including how it would relieve the crowding that is forecast on the route.

4.8 With six trains per hour the North TransPennine TPE service pattern between Manchester and Leeds could be:

- 4 fast trains per hour calling only at Huddersfield: and
- 2 semi-fast trains per hour calling at Stalybridge, Huddersfield and Dewsbury.

4.9 Between December 2016 and December 2018 (i.e. before electrification) this would preclude the Northern service between Manchester and Huddersfield from operating outside the peaks so each of the semi-fast TPE trains would also call at two of the intermediate stations (Mossley, Slaithwaite, Greenfield and Marsden) to maintain service levels at these stations.

4.10 We expect the ITT will specify that from December 2018 Newcastle, Middlesbrough, York, Scarborough and Hull will, as a minimum, maintain the current number of station calls per hour (4 to/from York and 1 to/from each of the other destinations), subject to consultation and decisions on remapping and electrification which are discussed below.

4.11 Two options are being considered for the sixth train:

a. operation to Newcastle; or
b. operation as far as York.

4.12 In the latter case, the franchisee would be free to decide to operate beyond York on the basis of passenger demand.

North TransPennine route options - questions

NTP1: What factors do you consider should be taken into account in the assessment of the North TransPennine route options, in particular in the balance of crowding, frequency, journey time and connectivity benefits? What evidence do you have in relation to any of these options?

NTP2: Are there other options for any additional North TransPennine services that you would put forward for consideration? What evidence do you have in relation to any of these options?

Connectivity to Manchester Airport and Liverpool

4.13 Current North TransPennine services generally operate as shown in Figure 4.1. In summary:

- Middlesbrough and York services operate to Manchester Airport
- Newcastle and Scarborough services operate to Liverpool[24]
- Hull services operate to Manchester Piccadilly.

4.14 Previous work carried out by Network Rail suggests that for each of the eastern destinations (Newcastle, Middlesbrough, York, Hull or Scarborough) the wider economic benefits of a direct service to Manchester Airport are similar to the wider economic benefits of a direct service to Liverpool.

4.15 On this basis, we expect the ITT will specify the number of calls at each of these stations but not the cross-Pennine linkages. Bidders would be left to make a commercial decision

[24] The Newcastle service operates between Manchester and Liverpool via the Newton-Le-Willows route and the Scarborough service operates via Warrington Central. From December 2016 North TransPennine services to Liverpool will operate via the Newton-Le-Willows route.

on these linkages based on the relative strengths of passenger flows.

Connectivity to Manchester Airport and Liverpool - questions

NTP3: Do you consider that the ITT should specify which services should terminate at Liverpool or Manchester Airport on the North TransPennine route, or should the choice of destination be left to bidders' commercial decisions, and what are your reasons? What evidence do you have in relation to any of these options?

Impact of electrification on North TransPennine service pattern

4.16 The electrification of the North TransPennine route in 2018 will allow the operation of electric train services between Liverpool/Manchester Airport/Manchester and York/Newcastle/Selby from December 2018. Electrification will deliver substantial benefits in terms of faster services, operated with quieter and more energy-efficient trains.

4.17 However, not all of the routes served by North TransPennine trains will be electrified as part of this project and decisions will need to be made about how to serve stations on these non-electrified sections. There is a trade-off to be made between

(i) maximising the use of electric trains over electrified infrastructure and providing shuttle services to stations not on the electrified network; and

(ii) running diesel trains "under the wires" in order to provide through services to destinations not on the electrified network.

4.18 The following parts of the route are not currently planned to be electrified as part of the North TransPennine electrification project:

- Hull-Selby
- Middlesbrough-East Coast Main Line
- Scarborough-York.

4.19 We are interested in views on the options for services on these routes, as set out below.

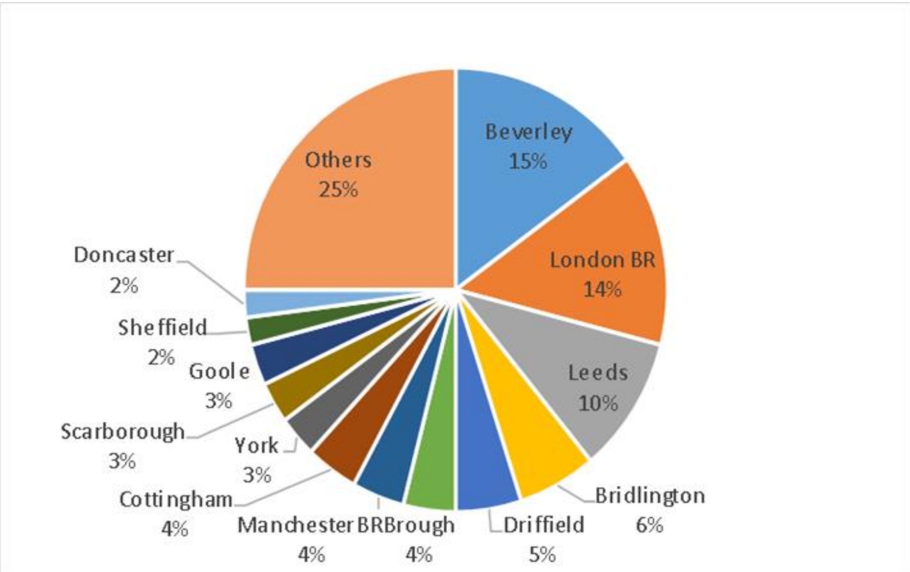
4.20 As set out in Chapter 3, a joint Network Rail, Rail Executive and Rail North taskforce is to explore where next for electrification in the North of England. This group will provide an interim report within 12 months setting out how schemes can be brought forward and their development accelerated. Routes to be examined include Hull-Selby and Middlesbrough-East Coast Main Line.

Hull services

4.21 The route between Hull and Selby is not included in current electrification plans. However, the evaluation of the case for Hull-Selby electrification is progressing and a decision is expected to be taken late 2014 or early 2015. Current demand to/from Hull is shown in Figure 4.2. This shows the main travel demand is to towns in East Yorkshire, and to Leeds and London. If the decision is taken to electrify this route, we would expect through services between Hull and Manchester to continue and to be operated with electric rolling stock. If a decision is made not to electrify the route, the train service options include:

- A Hull – Leeds diesel service that allows connections to be made at Leeds for electric services to Manchester and beyond;
- A through Hull service via the North TransPennine route, which would require the operation of diesel services 'under the electric wires' to Manchester Piccadilly, Manchester Airport, Liverpool or Chester.

Figure 4.2 Rail demand to and from Hull



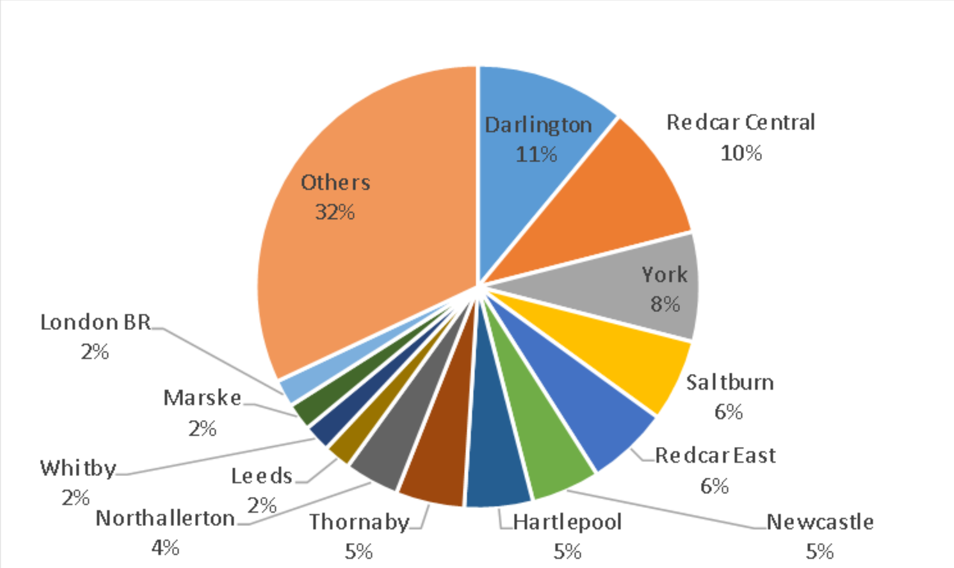
Source: MOIRA

Middlesbrough services

4.22 The route between Middlesbrough and the East Coast Main Line is not included in current electrification plans but it is one of the routes to be considered by the joint taskforce. Current demand to/from Middlesbrough is shown in Figure 4.3. The main demand is to Darlington, Redcar and other locations in the North East, as well as York. If this route were to be electrified we would expect through services to Middlesbrough via the North TransPennine route to continue and to be operated by electric rolling stock. The options being considered before any possible future route electrification are:

- A Middlesbrough – York diesel service that allows connections to be made at York for electric services to London and Manchester
- A Middlesbrough – Leeds diesel service that allows connections to be made at York and Leeds
- A through Middlesbrough service via the North TransPennine route, which would require the operation of diesel services ‘under the wires’ to Manchester Piccadilly, Manchester Airport or Liverpool

Figure 4.3 Rail demand to and from Middlesbrough



Source: MOIRA

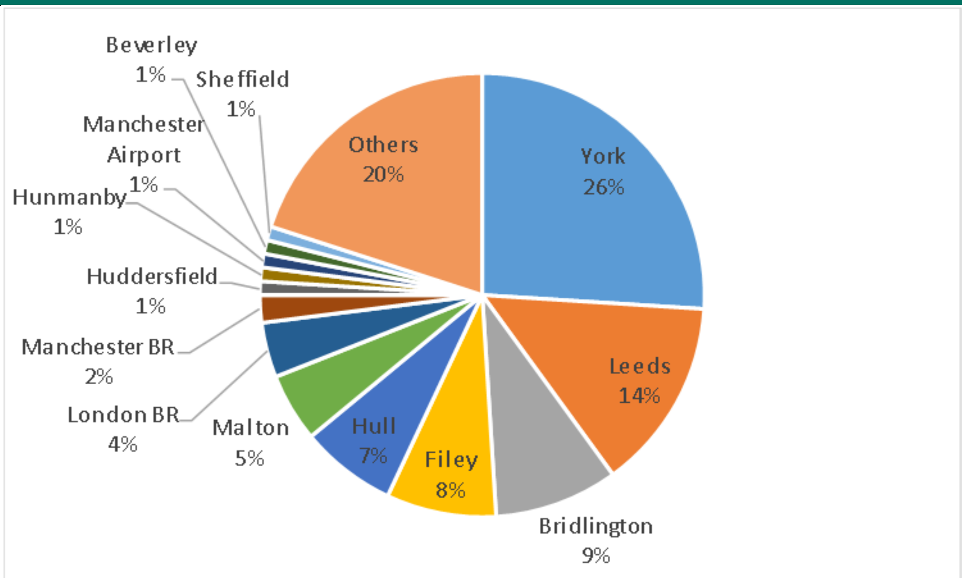
Scarborough services

4.23 There are no current plans to electrify the route between Scarborough and York. Scarborough currently has an hourly service through to Liverpool. Current demand to/from

Scarborough is shown in Figure 4.4: most passengers are currently travelling to York and Leeds, with significant numbers interchanging onto the East Coast Main Line for London services but only a smaller proportion travelling across the Pennines to Manchester. The options being considered therefore include:

- A Scarborough – York diesel service that allows connections to be made at York for electric services to London and Manchester
- A Scarborough– Leeds diesel service that allows connections to be made at York and Leeds for electric services to London and Manchester
- A Scarborough – Blackpool North service via the non-electrified Calder Valley route (Bradford and Halifax). This option combines Scarborough-York with the existing York-Blackpool North Northern service and would entail the transfer of the Scarborough service from TPE to Northern
- A through Scarborough service via the North TransPennine route, which would require the operation of diesel services 'under the wires' to Manchester Piccadilly, Manchester Airport or Liverpool

Figure 4.4 Rail demand to and from Scarborough



Source: MOIRA

Impact of electrification on North TransPennine service pattern - questions

NTP4: What factors do you consider should be taken into account in the assessment of the options for Hull, Middlesbrough and Scarborough services? What evidence do you have in relation to any of these options?

NTP5: Are there other options for Hull, Middlesbrough or Scarborough services that you would put forward for consideration? What evidence do you have in relation to any of these options?

Calling patterns

4.24 Currently TPE has two trains per hour in each direction calling at Stalybridge and Dewsbury and one train per hour calling at Garforth. Table 4.1 shows the top five flows and total passenger numbers for each of the three stations.

Table 4.1 Passenger numbers to/from Dewsbury, Stalybridge and Garforth (2012/13)

Destination/origin	Dewsbury	Stalybridge	Garforth
Leeds	1,115,211	85,144	627,632
Huddersfield	635,502	40,616	20,218
Manchester BR	111,774	704,879	25,031
York	43,930	18,836	24,209
Manchester Airport	31,647		
Bradford Yks BR			23,111
Salford		22,702	
Other	267,913	211,699	115,508
Total	2,205,977	1,083,876	835,709

[MOIRA]

4.25 The current level of TPE services to these stations is needed to provide capacity at peak times, but outside the peak we are interested in views on reducing the calls at Stalybridge to one train per hour and removing the TPE call at Garforth. This would reduce journey times for remaining passengers on the service, who are travelling to Manchester, or Leeds and beyond. Peak station calls would be retained to provide the extra capacity needed in the peak.

North TransPennine calling patterns - question

NTP6: What factors do you consider should be taken into account in the assessment of whether or not to reduce calls at Stalybridge and Garforth? What evidence do you have in relation to this?

5. South TransPennine and North West TransPennine train service options

Introduction

5.1 This chapter considers the South TransPennine and North West TransPennine trains service specifications, including the potential transferral of certain services to the Northern franchise from TPE. We welcome responses from stakeholders, passengers and the general public on the questions set out in this chapter, which are explored in more detail on the next few pages.

South TransPennine route

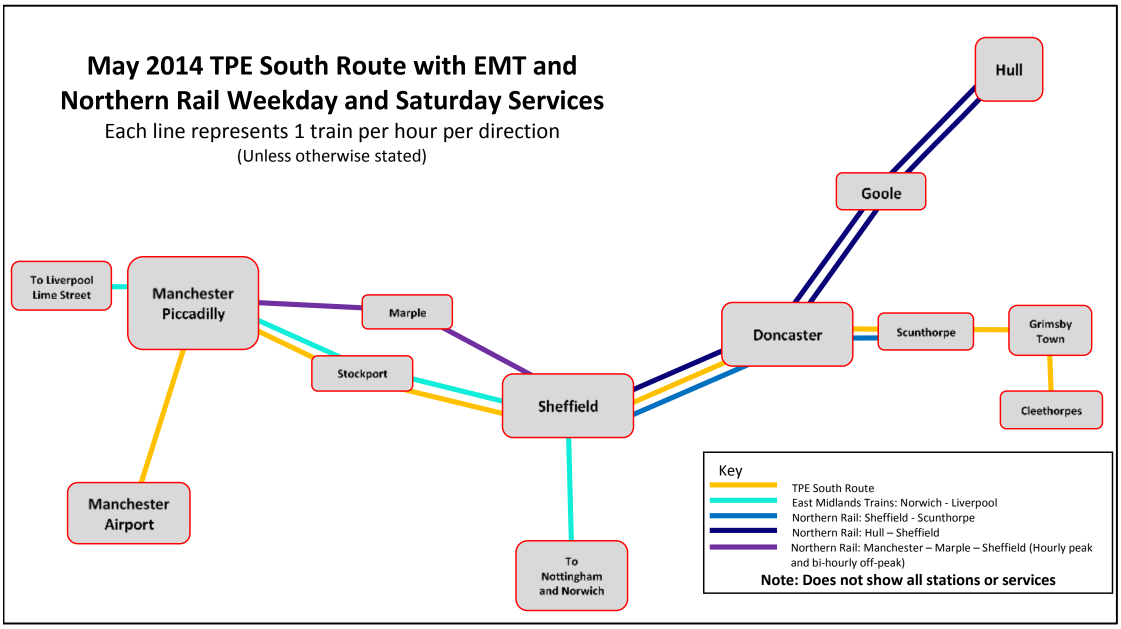
5.2 On the South TransPennine route, TPE currently operates one train per hour between Manchester Airport and Cleethorpes via Sheffield and Doncaster.

5.3 This service is integrated with those of other operators. The main ones are:

- East Midlands Trains operates one train per hour between Liverpool and Norwich via Manchester, Sheffield and Nottingham
- Northern operates one train every two hours (one train per hour at peak times) between Manchester and Sheffield via Marple which calls at intermediate stations on the Hope Valley line
- Northern operates one train per hour between Sheffield and Scunthorpe via Doncaster
- Northern operates one train per hour between Sheffield and Hull via Doncaster.

5.4 Current services provided by TPE, Northern and EMT on the South TransPennine route are shown in Figure 5.1 overleaf.

Figure 5.1 May 2014 South TransPennine services all operators



5.5 There are currently no plans to electrify this route but the Manchester-Sheffield and Sheffield-Doncaster sections will be considered by the joint electrification taskforce as set out in Chapter 3.

Frequency and capacity

5.6 The Northern Hub investment programme will provide capacity for a third train per hour over the South TransPennine route via Stockport from December 2018.

5.7 We are interested in views on whether to specify an additional train per hour on this route from December 2018, giving a total of three trains per hour between Manchester and Sheffield via Stockport (TPE and EMT combined). This requires an assessment of the costs and benefits of the increased service frequency, including how it would relieve the crowding that is forecast on the route.

5.8 From December 2016 it is likely that North TransPennine services between Manchester and Liverpool will no longer operate via Warrington. However, this route will continue to be served by trains on the South TransPennine route. Depending on decisions on South TransPennine service levels and destinations, it may therefore be necessary to specify an additional Northern service in order to maintain the current service level on the route via Warrington.

South TransPennine frequency - questions
STP1: What factors do you consider should be taken into account in the assessment of the option to specify one additional train per hour on the South TransPennine route, in particular in the balance of crowding, frequency, journey time and connectivity benefits? Please provide any evidence you may have.

'Remapping' and South Humberside connectivity

5.9 We are also interested in views on the case for 'remapping' (transferring train services between operators) as follows:

- Transfer of the Liverpool-Nottingham section of the EMT Liverpool-Norwich service to TPE; and
- Transfer of the Doncaster-Cleethorpes section of the TPE service to Northern.

5.10 Transferring Liverpool-Nottingham from EMT to TPE should benefit from a single operator across the core of the South TransPennine route, with more consistent service quality as well as operational cost efficiency.

5.11 However, this transfer would involve splitting the existing Liverpool-Norwich service at Nottingham. There is currently a relatively small amount of cross-Nottingham traffic on this service but splitting at Nottingham would mean that some passengers who currently have direct journeys would have to change at Nottingham.

5.12 In the case of South Humberside services, stations between Doncaster and Cleethorpes currently have an hourly TPE service from Manchester Airport. Passenger loadings are relatively high between Manchester Airport and Doncaster but low between Doncaster and Cleethorpes. The majority of passengers from Cleethorpes, Grimsby and Scunthorpe are travelling only as far as Sheffield or connecting at Doncaster or Sheffield for onward services, rather than travelling over the Pennines.

5.13 We are therefore examining the option, subject to operational constraints, of terminating the TPE service from Manchester at Doncaster with a replacement Sheffield-Cleethorpes service being operated by Northern, possibly as an extension of the existing hourly Northern Sheffield-Scunthorpe service. A wider package of changes could also feature the transfer of one of Northern's two services between Doncaster and Hull in each hour to TPE, allowing a through TPE service to Hull via the South TransPennine route (i.e. via Sheffield)

Remapping and South Humberside connectivity - questions

STP2: What factors do you consider should be taken into account in the assessment of the remapping and South Humberside connectivity options? Please provide any evidence you may have.

STP3: In particular, what factors do you think should be taken into account in considering the case for replacing TPE services between Doncaster and Cleethorpes with a service operated by Northern? Please provide any evidence you may have.

STP4: Are there other options that you would put forward for consideration? Please provide any evidence you may have.

Connectivity to Manchester Airport and Liverpool

5.14 Currently, TPE services on the South TransPennine route operate through to Manchester Airport and EMT services operate to Liverpool, which gives passengers from Sheffield a direct service to both destinations.

5.15 With maintenance of the current South TransPennine service level with two operators as now, it is likely that TPE services would continue to be specified to serve Manchester Airport in order to maintain services to both Manchester Airport and Liverpool.

5.16 With the potential service changes discussed above, the following questions would arise:

1. If a third South TransPennine service was specified, should the destination for this service also be specified, or left for decision by the operator?
2. If the EMT service was remapped to TPE, should the same cross-Pennine linkages be specified as now, or should the decision about which service should serve Liverpool and which Manchester Airport be left to the operator?

5.17 Previous work carried out by Network Rail suggests that for most of the stations served by the TPE and EMT services the economic benefits of a direct service to Manchester Airport are similar to the economic benefits of a direct service to Liverpool. On this basis, we expect the ITT will not specify particular cross-Pennine linkages in these two cases but will instead leave bidders to make a commercial decision based on the relative strengths of the passenger flows.

South TransPennine connectivity to Manchester Airport and Liverpool - questions

STP5: If the ITT were to specify a third South TransPennine service via Stockport, or remapping of the EMT service to TPE, do you consider that it should specify which of these services should terminate at Manchester Airport or Liverpool or should this be left to bidders' commercial decisions, and what are your reasons? Please provide any evidence you may have.

North West route

5.18 On the North West route, TPE currently operates a more complex service pattern as shown in Figure 5.2. The basic service pattern can be summarised as follows:

- One train per hour from Manchester Airport to Scotland alternating between Edinburgh and Glasgow;
- One train per hour between Manchester Airport and Blackpool North. (Northern also provides an hourly service between Manchester Victoria and Blackpool North);
- An hourly shuttle service between Windermere and Oxenholme with a small number of services extended to a variety of destinations beyond Oxenholme; and
- Services to Barrow-in-Furness. TPE and Northern services combine to provide a roughly hourly service between Barrow and Lancaster/Preston with some TPE services extended to Manchester Airport.

'Remapping' of North West services

5.19 The North West electrification programme will result in the introduction of electric trains on certain routes in December 2016. With the current split of services in the North West between Northern and TPE, the responsibility for introduction of electric train fleets in December 2016 would be split between two operators. Remapping to allow a single operator to manage the introduction of electric trains in December 2016 (including rolling stock procurement, provision of maintenance facilities, and driver training) is likely to be more efficient. It would also allow ongoing operational efficiencies.

5.20 In addition, transferring certain services from TPE to Northern would provide a stronger market focus, with TPE positioned as a regional intercity franchise and Northern providing local, commuter and rural services.

5.21 Remapping options are discussed below. It should be noted that the remapping in itself is independent of any options for service change.

Blackpool North services

5.22 Currently Northern and TPE both operate services from Blackpool with the majority of trains being operated by Northern. TPE has one train an hour from Blackpool North to Manchester Airport. The Blackpool North route is planned to be electrified by December 2016 as part of the North West electrification programme.

5.23 We are interested in views on whether to transfer TPE services on this route to Northern. This would allow the introduction of the electric train fleet on the North West routes in 2016 to be managed by a single operator and would also result in ongoing operational efficiencies.

Windermere services

5.24 Currently, all services to Windermere are operated by TPE. The majority are shuttle services between Windermere and Oxenholme. The Windermere route is not part of the North West electrification programme but the Department for Transport has announced that it will be electrified by December 2016 subject to there being a business case to do so. The business case is currently under development.

5.25 We are interested in views on whether to transfer the Windermere services from TPE to Northern. The service is largely a short-distance shuttle with a few longer distance extensions, making it a better fit with the Northern franchise than with the TPE franchise, which is focussed on inter-regional services.

5.26 In addition, if the Windermere route is electrified, transfer would allow Northern to include the introduction of electric trains on this route within its overall programme for December 2016 and to manage the fleet within its overall North West electric train fleet.

Barrow-in-Furness services

5.27 Currently, services to Barrow are operated by both TPE and Northern with both operators running services to Lancaster/Preston and TPE operating some through services to Manchester Airport. Responsibilities for the management of stations on the route are split between the two operators. There are no plans for the electrification of this route.

5.28 We are interested in views on whether to transfer the Barrow services from TPE to Northern. Reasons for remapping include:

- Operational efficiencies to be gained from having a single operator for all trains and stations on the route
- Better fit of the service with the Northern market than with the TPE market

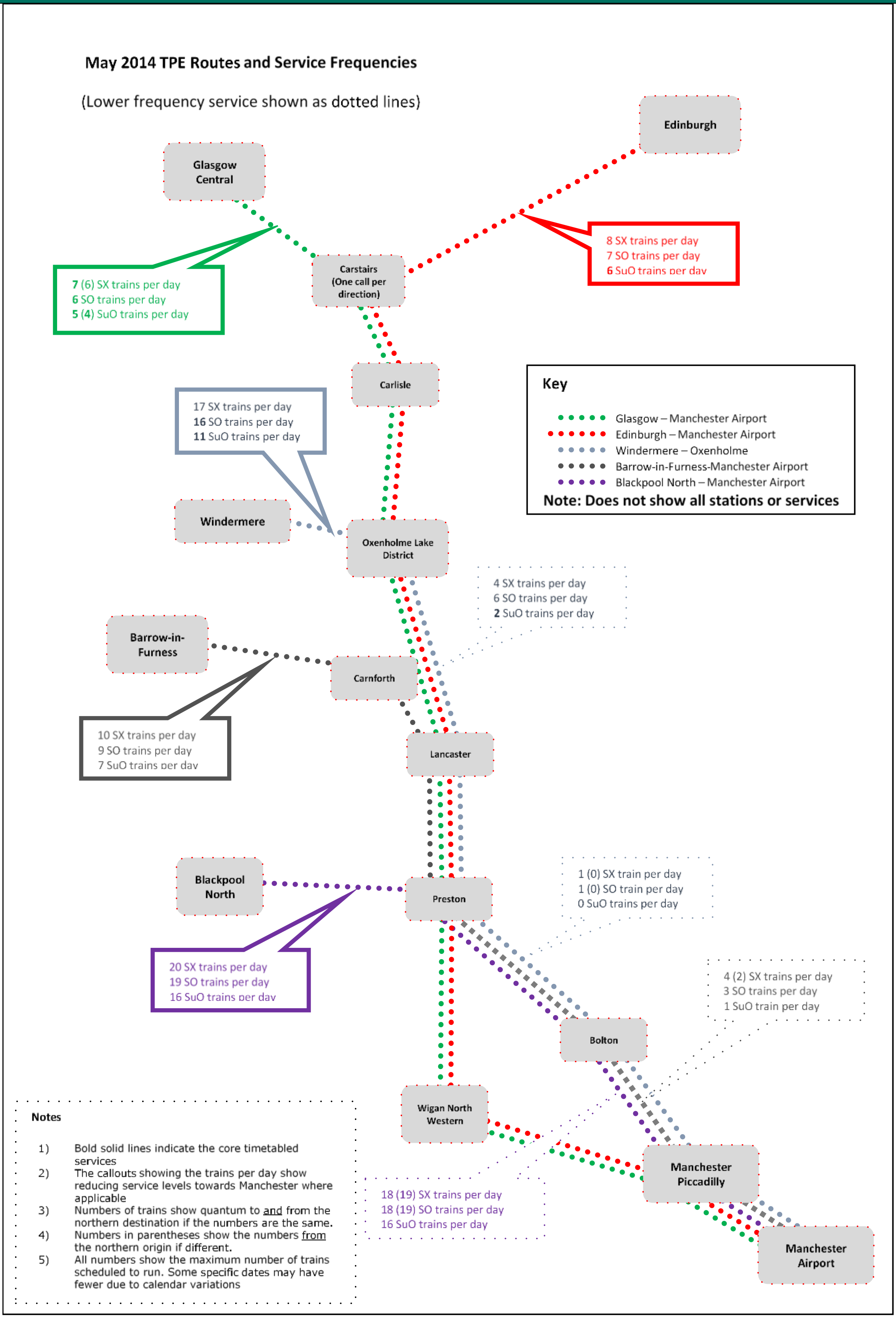
5.29 In addition, if Windermere is electrified, then a small standalone TPE diesel operation for Barrow services would be likely to be inefficient.

Barrow and Windermere connectivity

5.30 Current Barrow and Windermere through services split/join at Preston from/to Blackpool North services; all three are operated by diesel trains. The operation of Blackpool North services by electric trains and their potential transfer to Northern will have an impact on how Barrow and Windermere through services are operated beyond December 2016.

5.31 Most long-distance passengers travelling from/to Windermere are connecting with long distance services on the West Coast Main Line at Oxenholme or Preston. Demand from the Barrow route is more strongly focussed on Manchester.

Figure 5.2 May 2014 North West TransPennine services



5.32 In this context, we are interested in views on the appropriate number of shuttles and through services to be specified for Windermere and Barrow and the destinations to be served by through services. This is a separate consideration from remapping: the provision of through services is not dependent on which train operator operates the service.

North West remapping and connectivity - questions

NW1: What factors do you consider should be taken into account in the assessment of the North West remapping options for Blackpool North, Windermere and Barrow-in-Furness services? What evidence do you have in relation to any of these options?

NW2: What factors do you consider should be taken into account in the assessment of the Barrow and Windermere connectivity options? What evidence do you have in relation to any of these options?

Optimisation of Anglo-Scottish services

5.33 The market between Manchester and Scotland has been progressively grown by First TransPennine Express since it commenced services on this route in 2007. The current TPE service from Manchester Airport to Scotland consists of one train per hour alternating between Edinburgh and Glasgow. Virgin Trains services also operate between Preston and Glasgow/Edinburgh.

5.34 We are interested in views on whether to specify a change in the proportion of services to each destination. One option would be to serve Edinburgh in two out of every three hours and Glasgow in one of every three hours. This service pattern, in combination with Virgin Trains services, would give equal numbers of trains from Preston to Edinburgh and Glasgow.

5.35 Also being considered is the specification of services between Liverpool and Scotland. Subject to operational constraints, it may be possible to operate a service from Liverpool to Preston to join with a Manchester Airport - Scotland service.

Anglo-Scottish services - questions

NW3: What factors do you consider should be taken into account in the assessment of the options for Anglo-Scottish services? What evidence do you have in relation to any of these options?

6. The Northern train service specification

Introduction

6.1 This chapter sets out the matters to be considered in determining the train services the franchisee will be required to operate in the new Northern franchise.

6.2 In doing this we are taking account of:

- The scale and complexity of the franchise (including many services which interact with those provided by other operators)
- The geographic extent and diversity of markets
- The social and economic purposes served by the franchise
- Recent and current public investment in the rail network in the North, and the opportunities this provides for service change
- The wider rail-industry context, including other train operators, and investment plans
- The need to secure best-possible value for the taxpayer and farepayer
- The public sector equality duty under the Equality Act 2010
- The Public Contracts (Social Value) Act 2012

6.3 The contracted specification for Northern train services has not changed substantially for some years. Developing the new franchise therefore requires a thorough review of this specification against the franchise objectives set out on in the Introduction to this document to identify, for example:

- Whether and, if so, where investment, for example in track, stations or electrification, makes desirable changes possible;
- Whether and, if so, where changes in the market mean there is a requirement for more services, or more capacity, than is currently provided;

- Whether and, if so, where services no longer match demand; and
- Whether and, if so, where the current level of service no longer delivers value for money.

Planned approach

6.4 We are developing a specification for every service in Northern, for inclusion in the Invitation to Tender.

6.5 The present Government's general policy is to take an approach to train service specification which is less prescriptive than in franchises awarded before 2010, both in the franchise bidding phase, and during the franchise, believing that the greater freedom given to bidders and operators will enable them to design services which best meet the needs of passengers. In applying this approach to Northern it is necessary to take into account the heavy dependence on subsidy which makes it unlikely that the operator will provide service levels much above the minimum levels defined.

6.6 We therefore expect the ITT to specify the following service characteristics:

- Length of the operating day
- Minimum train frequency
- Minimum number of calls at each station
- Use of electric traction where appropriate on electrified routes

6.7 Also being considered is the specification of other features in certain cases, for example:

- Maximum journey times (e.g. where investment has been committed specifically for this purpose)
- Particular through services where specified service levels could be provided in different ways but it is important that current through journey opportunities are maintained

6.8 Bidders will need to consider how best to meet the diverse requirements of the markets served by different Northern services. Rail Executive does not expect to define detailed standards for types of service, but in its Long Term Rail Strategy Rail North identifies distinct categories including a 'Northern Regional Express' identity for services which connect Northern cities and major centres and offer travel in a comfortable modern environment, linking local to long-distance trains.

Potential service changes

6.9 Rail Executive and Rail North recognise that stakeholders, passengers and the general public have a strong interest in the train services to be provided under the new Northern franchise.

6.10 Because of the scale of the franchise this consultation does not set out in detail, on a route by route basis, the potential range of alternative services to be considered. Instead, we have described the overall approach being taken to the train service specification and the types of change being considered.

6.11 The function of each train service will be assessed in the context of the local community and economy it serves, additions or reductions to the service being evaluated using standard economic appraisal techniques. In doing this the aim is to improve the overall value for money delivered by the franchise while protecting the key purposes met by the service and recognising the constraints on the available public funding.

6.12 We are not considering line or station closures within this review of the franchise design.

6.13 The potential changes we are interested in views on fall into the categories overleaf:

a. Increasing service frequency in the peak and/or off-peak where demand merits it
b. Reducing service frequency in the peak and/or off-peak where demand is low and the current service represents poor value for the subsidy needed
c. Reducing the number of stops at stations used by few people to accelerate the service for through passengers
d. Changing the routes taken by services as part of the Northern Hub improvements package
e. Changing services to coordinate with changes to TPE services
f. Improving connections where significant numbers of passengers are using an interchange
g. Adjusting the times of first and/or last services where this better matches the pattern of demand
h. Improving weekend services (including potential new Saturday or Sunday services) where the potential demand justifies it
i. Reducing weekend services where the current service represents poor value for the subsidy needed
j. Adjusting service levels on a seasonal basis where this better matches the pattern of demand

6.14 These changes are purely illustrative and only provided as examples of the sorts of issues being considered. They are not intended to limit the range of changes which might be made, or to link them with particular routes.

6.15 We welcome views from stakeholders, passengers and the general public on these potential changes. We will take account of all consultation responses in finalising the specification, and also expect bidders to take them into consideration in preparing their bids. Consultees' views are invited, in particular on the following questions:

Northern TSR consultation questions

NTSR1: Please indicate, with evidence where available, where passengers would be better served, and revenue increased, by:

- Reducing the number of calls at low-use stations?
- Increasing frequencies on busier sections of routes or at busier times?
- Speeding up the service for longer-distance passengers?
- Improving connections with other services where there is evident demand?

- Adjusting train services to meet seasonal changes in demand?
- Adjusting the time of the first/last train?

NTSR2: Please set out, with evidence where available, any other approaches that might improve route utilisation and make better use of existing resources on the Northern franchise.

NTSR3: Please indicate, with evidence where available, where services should be improved on weekends, resources permitting.

NTSR4: Please indicate, with evidence where available, where weekend services provide poor value for the subsidy required to operate them?

Franchise transfer: Barton-on-Humber

6.16 In addition to the proposals for transfer of TPE services set out in Chapter 5, we are seeking views on the future franchise responsibility for the route from Cleethorpes and Grimsby to Barton-on-Humber. Since the previous 're-mapping' in 2004, this service has been operationally separated from the rest of Northern, making it difficult for the franchisee to develop the service strategically and for it to handle service disruptions.

These difficulties would be resolved if the main south Humberside service between Sheffield and Cleethorpes was transferred to Northern (see chapter 5), but if this change does not proceed we propose the transfer of the route from Cleethorpes and Grimsby to Barton-on-Humber to East Midlands Trains (EMT). EMT operates other local and regional services in Lincolnshire, and the route appears to fit better in its portfolio.

Franchise transfer question

NTSR5: What are your views on retaining the route from Cleethorpes and Grimsby to Barton-on-Humber within the Northern franchise? What evidence do you have to support your views?

7. Other franchise issues

Introduction

7.1 The previous chapters have set out a number of issues where views from passengers, the public and interested organisations will help us to develop the specifications for the Northern and TPE franchises.

7.2 This chapter sets out those areas of the franchise on which views are not being sought (for example because they are fixed areas of policy common to all franchises), but which may be of interest. The proposals are a mixture of improvements for passengers, areas where the new franchisees should be held to account on an ongoing basis and improvements to railway industry practice.

Rolling stock

Northern rolling stock

7.3 The new franchise provides the opportunity for extensive change to the trains themselves (the 'rolling stock'). Electrification will enable bidders to offer benefits through improved rolling stock such as:

- More capacity
- Better passenger environment
- Lower operating costs
- Faster journeys

7.4 We expect that the ITT will specify that, where electric operation of services is enabled by the electrification programmes, these services should primarily be operated by electric trains.

7.5 A change in the mix of diesel and electric traction in the Northern fleet will also make possible a fundamental review of train maintenance arrangements. As with train services, Network Rail is leading an industry process to identify possible approaches, but this is an area where bidders will be expected to determine their own strategy.

7.6 Furthermore, as set in Chapter 2, most of the existing Northern fleet is currently non-compliant with the new European standard for accessible trains. Proposals on how these requirements should be accommodated by the future Northern fleet will form an essential and important element of bids. Such proposals will need to consider how the requirements fit with the desirability of wider improvements in rolling stock for the Northern franchise.

7.7 In particular, bidders will be required to include plans, either in their core proposition or as an option, which would enable the withdrawal of all Pacer units from Northern services.

TPE rolling stock

7.8 Current TPE rolling stock is relatively new and of good quality. The main issues are capacity and the availability of sufficient diesel rolling stock in the short term.

7.9 Following North West and North TransPennine electrification we expect that the ITT will specify that bidders should use primarily electric rolling stock on electrified routes. Apart from this general provision, we do not expect it to specify rolling stock. Bidders will be expected to propose high quality and high performing rolling stock suitable to serve the mix of passengers and journey distances on TPE with capacity to accommodate expected growth in passenger numbers.

Rolling stock procurement

7.10 Rail North has commissioned work to advise on alternative procurement and financing mechanisms for rolling stock for both franchises, focusing on identifying options which may enable new and/or refurbished rolling stock to be provided at lower cost than under current arrangements.

Smart and integrated ticketing

7.11 The Department for Transport remains committed to introducing smart ticketing across the rail network. It wants the whole experience of travelling by rail to be modern, seamless and easy, starting with buying a ticket to travel.

7.12 The Department for Transport's plans for delivering smart ticketing on rail were set out in last year's 'Rail Fares and Ticketing: Next Steps'.[25] In line with these plans, it is Rail

[25] https://www.gov.uk/government/consultations/rail-fares-and-ticketing-review

Executive's intention to seek the commitment of the Northern and TPE franchisees to work in partnership with the Department for Transport, Rail North and local authorities in developing affordable and deliverable smart ticketing initiatives. The Department for Transport is not proposing to require the delivery of standalone, independent franchise-wide smart ticketing schemes.

7.13 Where specific arrangements for smartcard acceptance by station gate lines are already in place (for example at Leeds and Bradford) or are committed (for example at Huddersfield), the franchises will be expected to continue to accept these and bidders should be clear as to how they will achieve this.

7.14 Where local authorities are already developing multi-operator, multi-modal smart ticketing-enabled products across their conurbations, the franchises should be prepared to cooperate with these initiatives to maximise the opportunities for seamless integrated door to door journeys for the benefit of passengers in line with Departmental objectives.

Service quality

7.15 Delivering excellence in service quality is a key element of Rail Executive's and Rail North's approach to the new franchises. We expect that improved quality will be offered to customers as a result of:

- the commercial incentives provided to the franchisees;
- the bid evaluation process which will give additional credit for commitments to improve quality; and
- requirements which will be defined as part of the specification and set out in the ITT.

7.16 The ITT service quality requirements are being developed in collaboration with Passenger Focus. At this stage we anticipate that the specification for the two franchises will include the following:

Targets

We may specify one or more targets for passenger satisfaction with the facilities and services provided by the franchisee, including at stations. This will be likely to include indicators drawn from the regular National Rail Passenger Survey conducted by Passenger Focus.

Customer Experience and Communities Strategy

Bidders are likely to be requested to set out how they intend to improve the customer experience. They may also be asked to develop a strategy for community engagement focussed on creating and improving links between the community, businesses and the railway. This could build on and develop the community rail approach already active in many parts of the franchise.

Customer and Communities Fund

We are is considering whether the ITT should require bidders to set aside a defined amount to fund schemes that are developed by the franchisee during the franchise in response to customer and community engagement and which are in line with the Department for Transport's (now Rail Executive’s) approved Route Prospectuses for designated community rail lines. Such schemes are either non-commercial or will not generate a commercial return within the remainder of the term. Proposals to spend from this fund would need to meet criteria set out in the Franchise Agreement.

Passenger Charter

Bidders will be required to commit to a Passenger Charter, including a Delay Repay compensation scheme in line with European Regulation 1371/2007 on rail passengers’ rights and obligations.

Customer Report

Each of the franchisees may be required to produce a regular report, setting out its commitments to customers, its targets and performance against these targets. Bidders may also be required to offer improved ways for passengers to report quality problems and receive specific feedback on how they have been tackled.

Stations

7.17 TPE stations currently have good levels of overall passenger satisfaction and we would expect the new franchisee to maintain and build upon these results.

7.18 Where it is an issue on Northern, the new franchisees will be required to address low levels of passenger satisfaction with station facilities.

7.19 We are looking for both franchisees to consider the development opportunities offered by stations across the network, working with partners to make stations destinations in their own right and ensure they are well-integrated with local communities. We are also looking to improve the efficiency and effectiveness of station maintenance, renewal and station operations.

7.20 Note that question COM1 in Chapter 3 offers the opportunity for respondents to present proposals for innovative management and development of station assets.

7.21 Rail North is seeking a consistent approach to the assessment and improvement of station facilities, and has developed a minimum standard for stations in the North of England that will be made available to bidders.

7.22 Rail North is also considering approaches to station asset management, to ensure a consistent standard of assessment and renewal.

Capacity and crowding

7.23 Providing passengers with sufficient space to sit and stand is a key driver of passenger satisfaction and passenger demand; crowding is currently a major issue for TPE and Northern passengers.

7.24 We expect the ITT will require bidders for the franchises to submit, and deliver, plans which will reduce crowding on peak services into the major centres. We believe it is reasonable for passengers to expect to get a seat for journeys of more than 20 minutes, and to have sufficient space even if they are standing for shorter journeys.

7.25 We will encourage bidders for both franchises to develop proposals that provide capacity where it is needed most and to mitigate crowding. The ITT will require bidders to give due regard to accommodating growth in demand and to exploit any other opportunities to deliver additional capacity including that which might be enabled by infrastructure improvements.

7.26 We are considering potential approaches to ensuring that planned train capacity is delivered on a daily basis. This may include incentivising the new franchisees not to temporarily reduce the number of carriages on a service (known as short forming), which can cause overcrowding.

Performance and reliability

7.27 During the course of the franchise a number of initiatives are expected to provide the opportunity to achieve a significant improvement in the performance and reliability of TPE and Northern services, notably the Northern Hub and electrification works. However in the short term, while the engineering works are carried out, these will provide challenges to operational performance.

7.28 In addition to capacity and crowding, we are considering a performance regime which covers delays and cancellations. Under this regime, the franchisee could receive bonuses for outperforming against its targets and make payments to improve performance if underperforming.

7.29 Performance targets will be set on the basis of advice from the Office of Rail Regulation on regulatory performance targets for the period until 31 March 2019.

Innovation

7.30 Increasing customer expectations and new technical developments pose ongoing commercial challenges for train operators. In order to encourage and support the development and trial of new ideas during the life of the franchises, Rail Executive is engaged in work with the Rail Enabling Innovation Team[26] and the Transport Systems Catapult[27].The aim is to prove that innovative concepts work out on the railway, which then makes the case for further business-led investment. The following proposals have been confirmed:

- A three year pilot of an Innovation Fund to support the research and development of innovations that are demonstrably to the benefit of the wider railway and society or would not normally be commercially viable for franchisees to deliver within the two franchises; and
- Seeking plans from bidders in their submissions to embed and deliver innovation through pilots, demonstrators and research.

[26] The Enabling Innovation Team was set up by the rail industry in 2012 to accelerate the uptake of innovation. More information is available at: http://www.futurerailway.org/eit/Pages/About.aspx

[27] The Transport Systems Catapult is a centre for the development of innovation and technology in transport systems. More information is available at: https://ts.catapult.org.uk/

Sustainability

7.31 The sustainable development of rail is a key focus for us. We strongly support the Rail Industry Sustainable Development Principles[28] and wish to see them embedded in the Northern and TPE franchises. In addition to finding ways of helping passengers with their onward journeys (see the Door to Door section of Chapter 3), bidders are likely to be asked to set out how they will deal with some or all of the following issues:

Environmental impact

- A focus on waste avoidance, reduction and increasing the proportion of waste sent for recycling
- Improved energy and carbon management performance, with respect to both traction energy and non-traction energy
- Increased focus on reducing water and resource consumption
- Adoption of sustainable procurement policies and practices

Socio-economic impact

- Demonstrable support for economic growth
- Engagement and empowerment of local communities, involving them in decisions which affect their lives

Workforce development

- Supporting equality, diversity, health and wellbeing of the workforce
- Developing skills so that rail has the right people with the right skills for the long term

Health, safety and security

7.32 We intend that the new franchisees should have a proactive, positive, open and inclusive health and safety culture, in order that staff members feel they have an important part to play in achieving the highest levels of health and safety for customers, staff and suppliers.

7.33 Passenger Focus research identifies personal security as an important factor for passengers. The new franchises provide an opportunity for bidders to develop plans to improve

[28] Developed by the industry in 2009 and included in the 2012 High Level Output Specification. See: http://www.rssb.co.uk/Library/improving-industry-performance/2009-report-rail-industry-sustainable-development-principles.pdf

passengers' perception of health and security on trains and at stations. This could include, and may go beyond, security enhancements such as extensions to CCTV coverage, lighting improvements and closer working with the British Transport Police. It could also extend to the appropriate deployment of staff on trains and stations (and elsewhere).

Equality Act 2010

7.34 In the consideration of options and in specifying the new Northern and TPE franchises, we are considering the views of stakeholders, including those representing disabled passengers' needs, as well as the public sector equality duty under the Equality Act 2010:

- To eliminate unlawful discrimination, harassment and victimisation and any other conduct that is prohibited by or under the Act.
- To advance equality of opportunity between people who share a relevant protected characteristic and people who do not share it.
- To foster good relations between people who share a relevant protected characteristic and those who do not share it.

7.35 A screening level assessment of the impact this franchise consultation will have on the promotion of equality has been conducted. Details of the screening level assessment can be obtained on request.

Social Value

7.36 In line with the Public Contracts (Social Value) Act 2012, we are considering:

- how the options under consideration for TPE and Northern might improve the economic, social and environmental wellbeing of the north of England; and
- how, in conducting the process of procurement, Rail Executive will act with a view to securing that improvement.

What will happen next?

A summary of responses, including the next steps, will be published alongside the ITT at: https://www.gov.uk/government/organisations/department-for-transport

Paper copies will be available on request.

If you have questions about this consultation please contact:

Northern TPE Consultation Co-ordinator
4/15 Great Minster House
33 Horseferry Road
London
SW1P 4DR

0300 330 3000 (switchboard)
NorthernTPEconsultation2014@dft.gsi.gov.uk

Annex A: Full list of consultation questions

TO1: What are your views on increasing below-average fares over time to levels typical on the rest of the network in order to improve the frequency, capacity and quality of local services? Do you have any evidence to support your views?

TO2: What are your views on giving priority to improving the quality of the Northern rolling stock at the expense of some reduction in lightly used services (e.g. fewer calls at low-use stations)? Do you have any evidence to support your views?

TO3: What are your views on allowing some reduction in the hours ticket offices are open and staffed if this is accompanied by the ability for passengers to have widespread access to ticket buying opportunities (e.g. through new and improved approaches such as smart ticketing, increased advance purchase ticketing or via mobile phones), adequate measures to ensure vulnerable passengers are not disadvantaged and more effective customer service by both station and on-train staff? Do you have any evidence to support your views?

COM1: How can local communities, local businesses and other organisations be further stimulated to play an active part in the running of Northern and TPE rail services, including at stations?

COM2: What opportunities are there for Community Rail Partnerships to expand their role and range of activities?

TPF1: Are you aware of any proposals for third-party funded changes not already indicated? Please provide details.

FID1: What factors may impact on demand for travel on the new Northern and TPE franchises? Please provide evidence.

DTD1: What are your proposals for providing passengers better and safer access to different modes of transport at stations (including bus, tram, cycling and walking?)

DTD2: How do you suggest your proposals to improve the door-to-door journey experience might be funded?

TPE1: What are your views on the degree of flexibility proposed for the train service specification for the new TPE franchise? Do you have any evidence to support your views?

TPE2: Where, if anywhere, would you like to see any changes to first and last trains on the TPE network and why? Do you have any evidence to support this?

TPE3: Where, if anywhere, would you like to see any changes to weekend trains on the TPE network and why? Do you have any evidence to support this?

NTP1: What factors do you consider should be taken into account in the assessment of the North TransPennine route options, in particular in the balance of crowding, frequency, journey time and connectivity benefits? What evidence do you have in relation to any of these options?

NTP2: Are there other options for any additional North TransPennine services that you would put forward for consideration? What evidence do you have in relation to any of these options?

NTP3: Do you consider that the ITT should specify which services should terminate at Liverpool or Manchester Airport on the North TransPennine route, or should the choice of destination be left to bidders' commercial decisions, and what are your reasons? What evidence do you have in relation to any of these options?

NTP4: What factors do you consider should be taken into account in the assessment of the options for Hull, Middlesbrough and Scarborough services? What evidence do you have in relation to any of these options?

NTP5: Are there other options for Hull, Middlesbrough or Scarborough services that you would put forward for consideration? What evidence do you have in relation to any of these options?

NTP6: What factors do you consider should be taken into account in the assessment of whether or not to reduce calls at Stalybridge and Garforth? What evidence do you have in relation to this?

STP1: What factors do you consider should be taken into account in the assessment of the option to specify one additional train per hour on the South TransPennine route, in particular in the balance of crowding, frequency, journey time and connectivity benefits? Please provide any evidence you may have.

STP2: What factors do you consider should be taken into account in the assessment of the remapping and South Humberside connectivity options? Please provide any evidence you may have.

STP3: In particular, what factors do you think should be taken into account in considering the case for replacing TPE services between Doncaster and Cleethorpes with a service operated by Northern? Please provide any evidence you may have.

STP4: Are there other options that you would put forward for consideration? Please provide any evidence you may have.

STP5: If the ITT were to specify a third South TransPennine service via Stockport, or remapping of the EMT service to TPE, do you consider that it should specify which of these services should terminate at Manchester Airport or Liverpool or should this be left to bidders' commercial decisions, and what are your reasons? Please provide any evidence you may have.

NW1: What factors do you consider should be taken into account in the assessment of the North West remapping options for Blackpool North, Windermere and Barrow-in-Furness services? What evidence do you have in relation to any of these options?

NW2: What factors do you consider should be taken into account in the assessment of the Barrow and Windermere connectivity options? What evidence do you have in relation to any of these options?

NW3: What factors do you consider should be taken into account in the assessment of the options for Anglo-Scottish services? What evidence do you have in relation to any of these options?

NTSR1: Please indicate, with evidence where available, where passengers would be better served, and revenue increased, by:

- Reducing the number of calls at low-use stations?
- Increasing frequencies on busier sections of routes or at busier times?
- Speeding-up the service for longer-distance passengers?
- Improving connections with other services where there is evident demand?
- Adjusting train services to meet seasonal changes in demand?
- Adjusting the time of the first/last train?

NTSR2: Please set out, with evidence where available, any other approaches that might improve route utilisation and make better use of existing resources on the Northern franchise.

NTSR3: Please indicate, with evidence where available, where services should be improved on weekends, resources permitting.

NTSR4: Please indicate, with evidence where available, where weekend services provide poor value for the subsidy required to operate them.

NTSR5: What are your views on retaining the route from Cleethorpes and Grimsby to Barton-on-Humber within the Northern franchise? What evidence do you have to support your views?

OTH1: Do you have any other views on the future of the Northern and TPE franchises that you would like to set out?

Annex B: Consultation principles

The consultation is being conducted in line with the Government's key consultation principles which are listed below. Further information is available at https://www.gov.uk/government/publications/consultation-principles-guidance

If you have any comments about the consultation process please contact:

Consultation Co-ordinator
Department for Transport
Zone 1/29 Great Minster House
London SW1P 4DR
Email consultation@dft.gsi.gov.uk

Annex C: Community Rail

C.1 The following routes have designated services and lines run by community rail partnerships:

Table 7.1 Community Rail

Route	Designated service (Designated Line)	Community Rail Partnership
Barton Line	Barton on Humber to Cleethorpes (Designated Line: Barton on Humber to Ulceby North Junction)	Yorkshire Coast Community Rail Partnership
Bentham Line	Leeds to Morecambe	Leeds Lancaster Morecambe Community Rail Partnership
Bishop Line	Darlington to Bishop Auckland	Bishop Line Community Rail Partnership
Buxton Line	Buxton to Manchester via Whaley Bridge	High Peak & Hope Valley Community Rail Partnership
Clitheroe Line	Manchester to Clitheroe	Clitheroe Line Community Rail Partnership
Cumbrian Coast	Carlisle to Barrow-in-Furness	Cumbrian Coast Community Rail Partnership
East Lancashire Line	Preston to Colne (Designated Line: Preston to Colne)	East Lancashire Community Rail Partnership
Esk Valley	Middlesbrough to Whitby (Designated Line: Middlesbrough to Whitby)	Esk Valley Railway Development Company
Furness Line	Lancaster to Barrow	Furness Line Community Rail Partnership
Glossop Line	Glossop/Hadfield to Manchester	High Peak & Hope Valley Community Rail Partnership
Lakes Line	Oxenholme to Windermere	Lakes Line Community Rail Partnership
Mid-Cheshire Line	Chester to Manchester via Northwich	Mid-Cheshire Community Rail Partnership

Penistone Line	Huddersfield to Barnsley (Designated Line: Huddersfield to Barnsley)	Penistone Line Partnership
Preston-Ormskirk	Preston to Ormskirk (Designated Line: Preston to Ormskirk)	West of Lancashire Community Rail Partnership
South Fylde Line	Preston-Blackpool South (Designated Line: Kirkham and Wesham-Blackpool South)	South Fylde Community Rail Partnership

C.2 Members of the Association of Community Rail Partnerships (ACoRP) are also active on other routes operated by Northern including:

- Hull – Scarborough (Humber Region Rail Development Company Ltd)
- Leeds – Settle – Carlisle (Settle-Carlisle Railway Development Company)
- Manchester – Sheffield (Hope Valley & High Peak Transport Partnership)
- Newcastle – Carlisle (Tyne Valley Community Rail Partnership)
- Wigan – Southport (West of Lancashire Community Rail Partnership)

Annex D: Other stations

Table D.1 Other stations	
Station	**Operator**
Chester	Arriva Trains Wales
Frodsham	
Helsby	
Runcorn East	
Darlington	East Coast
Doncaster	
Durham	
Newcastle	
Retford	
Wakefield Westgate	
York	
Alfreton	East Midlands Trains
Chesterfield	
Derby	
Gainsborough Lea Road	
Kidsgrove	
Langley Mill	
Lincoln Central	
Longport	
Nottingham	
Saxilby	
Sheffield	
Carstairs	First ScotRail

Haymarket	
Lockerbie	
Motherwell	
Ellesmere Port	MerseyRail
Hunt's Cross	
Kirkby (Merseyside)	
Liverpool South Parkway	
Ormskirk	
Southport	
Edinburgh	Network Rail
Glasgow Central	
Leeds	
Liverpool Lime Street	
Manchester Piccadilly	
Horwich Parkway	Transport for Greater Manchester
Carlisle	Virgin Trains (West Coast)
Crewe	
Lancaster	
Macclesfield	
Oxenholme Lake District	
Penrith	
Preston	
Runcorn	
Stockport	
Stoke-On-Trent	
Warrington Bank Quay	
Wigan North Western	

Annex E: Franchise letting timetable

Table E.1 Franchise letting timetable

Stage	Description	Date
Pre-qualification	Issue of OJEU and Pre-Qualification Questionnaire (PQQ) Pack	May/June 2014
	Return of PQQ	July 2014
	Confirm Bidder shortlist	August 2014
Bid Preparation and Negotiation of Bids	ITT pack issued to Bidders	December 2014
	Receipt of ITT submissions	April 2015
	Announcement of winning Bidder	October 2015
Mobilisation	Contract Start	February 2016