

*Specifying the new  
Greater Western Franchise*

**GREATER WESTERN  
OR LESSER WESTERN?**

STAKEHOLDERS' PROPOSED PRINCIPLES TO GUIDE THE DEPARTMENT FOR  
TRANSPORT'S WORK IN PREPARING THE INVITATION TO TENDER FOR THE  
NEW GREATER WESTERN FRANCHISE

September 2011



TravelWatch SouthWest (TRAVELWATCH SOUTHWEST) was established in 2001 as the South West Public Transport Users' Forum (SWPTUF) to promote the interests of public transport users in the South West of England (comprising the counties of Cornwall, Devon, Dorset, Gloucestershire, Somerset and Wiltshire and the unitary authorities of Bath and North East Somerset, Bournemouth, Bristol, North Somerset, Plymouth, Poole, South Gloucestershire, Swindon and Torbay). The Forum became a Community Interest Company, limited by guarantee, in August 2005. SWPTUF adopted the trading name TravelWatch SouthWest in June 2006 and the Community Interest Company changed name to TravelWatch SouthWest CIC in November 2008.

Membership of the TravelWatch SouthWest CIC is open to every 'not-for-profit' organisation in the South West of England whose sole or principal purpose is to represent the users of any public transport service or to promote the development of public transport services. Membership is also open to other 'not-for-profit' organisations in the South West England who represent the interests of special and potential classes of public transport users e.g. the disabled or the elderly. TravelWatch SouthWest currently has over one hundred affiliated organisations. It is a social enterprise company and acts as an advocate for the improvement of public transport in the region. It works closely with local authorities, transport operators, business organisations, partnerships and other stakeholder groups. With the dissolution of the former Rail Passengers' Committee for Western England in July 2005, TravelWatch SouthWest is the representative body for public transport users throughout the South West of England.

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## Foreword


*This paper arose from discussions between representatives of strategic transport authorities, business groups (including the emerging Local Enterprise Partnerships) and passengers' organisations from throughout the South West of England. People from about sixty South West organisations met in early July to see if there was a common view of the big themes that we consider the Department for Transport should address in specifying the new Greater Western franchise. We were assisted by experts from the rail industry, including Network Rail and Passenger Focus (although, to avoid conflicts of interest, we deliberately did not invite train operators). We followed up the meeting with wide consultation as this paper was drafted. We were determined to reflect consensus.*

*Its focus on strategic issues is deliberate. Many of the organisations represented are likely to have their own list of local priorities which it is hoped can be pursued during the coming months both in discussions with the DfT and with prospective bidders. This paper provides a narrative context in which those more specific concerns can be framed.*

*The Government's South West planning region spans considerable distances. Its northern boundary is closer to the Scottish border than to the far west of Cornwall. Inevitably, the communities that it encompasses have diverse needs and aspirations: the fact that we found broad consensus is altogether notable.*

*One point in particular, however, requires mention. While the Government's decision to invest in up-grading the Great Western Main Line has met with a positive response, there is undoubted concern amongst stakeholders in Plymouth, Torbay and elsewhere in the far west that their connectivity and service provision will worsen in relative terms. There is understandable concern that this will accentuate their competitive disadvantage in seeking to realise their economic potential and stimulating much-needed regeneration. The intensity and energy of this concern is striking: it must be addressed by the DfT and the successful bidder if it is not to become a significant political issue.*

*The over-riding message to come through is this: despite the significant improvements to the service since the disastrous start of the 2006 Greater Western franchise and the Government's welcome commitment to long-overdue investment in Greater Western's infrastructure more needs to be done if the UK is to benefit from the potential of the South West's contribution to sustainable growth. The new Greater Western franchise must be fit for purpose: reliable and resilient, attractive and affordable, capable of meeting the growth in demand for rail travel throughout the South West.*



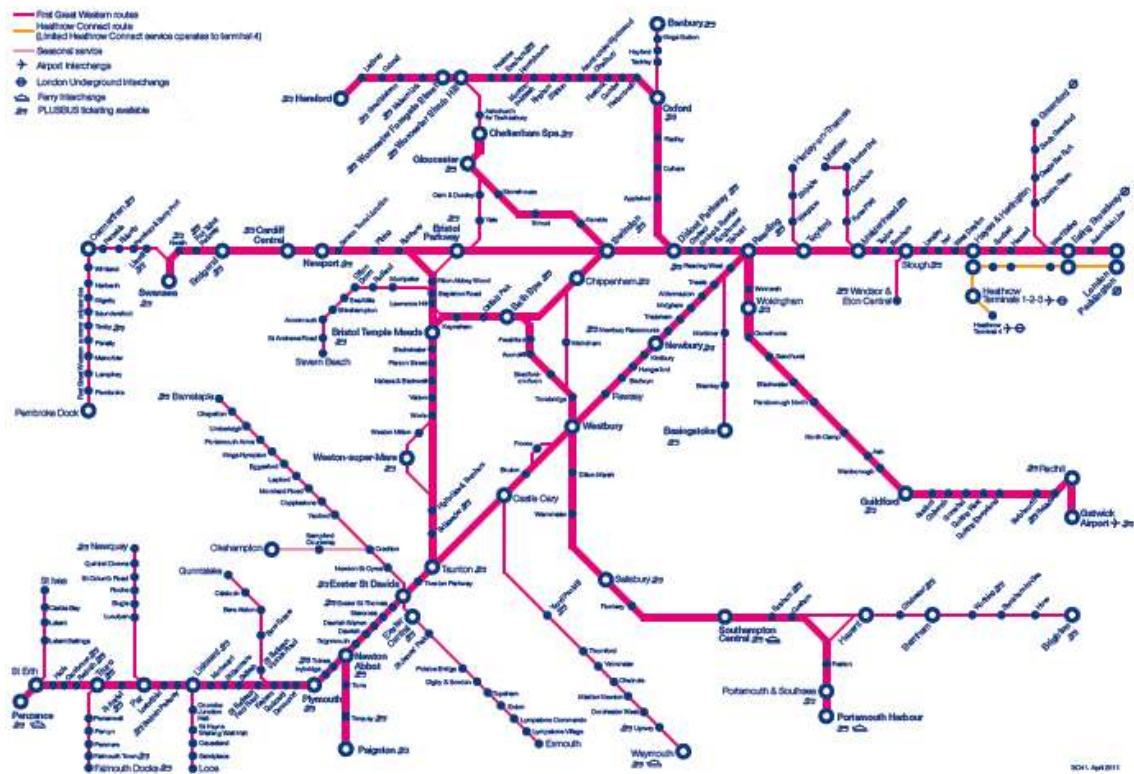
Chair, TravelWatch SouthWest CIC  
1<sup>st</sup> September 2011

## **Executive Summary:**

- **The 2006 Greater Western franchise proved unacceptable for all involved – passengers, politicians, and the operator; after representations by concerned stakeholders, a fares’ “strike” and a top management reshuffle significant timetable enhancements were made and additional rolling stock procured - at extra cost to the taxpayer and operator. We want to avoid a repetition with the new franchise.**
- **The South West is well placed to make a significant contribution to sustainable growth in the UK; users and the business community see better connectivity as a key to growth and the reduction of congestion, reducing sub-regional disparities in wealth whilst accommodating the needs of the fastest growing population in England.**
- **The boom in South West rail usage puts the industry’s planning forecasts in question. Usage has almost doubled since privatisation and virtually tripled in the Bristol travel-to-work area. Growth isn’t confined to the main line and the principal conurbations; branch lines throughout South West are the fastest growing in England.**
- **The ITT must give more priority to capacity issues. There is likely to be a ‘Capacity Gap’ of around 100 million seats on main line services over the next decade, despite the planned introduction of new InterCity Express trains.**
- **The franchisee should be obliged to deal with over-crowding, not by increasing fares to deter travel but by having the right to bring in additional rolling-stock without months of negotiation with Whitehall.**
- **The South West has suffered much the lowest level of investment in its transport networks and parts of the system are at the end their planned life.**
- **The decision to invest £5 billion in modernisation of the route from London to Bristol and Cardiff and to Oxford and Newbury is welcome but disruption caused by work on the Main Line and Crossrail will be felt across the franchise to the end of the decade.**
- **Without extra investment electrification could adversely affect millions of passengers beyond the electrified lines, such as those using services from the South Coast to Bristol & South Wales, to Weston super Mare and Taunton, services west of Exeter and those paralleling the M4 corridor from east Wiltshire through West Berkshire.**
- **The Government is committed to progressive electrification of the network. It should be a priority for lines serving major employment centres, such as the Bristol travel-to-work area, and to provide diversionary routes to Bath and the far west via Westbury and Wales via Gloucester, relieving the Severn Tunnel, to Wales.**
- **Bidders should be encouraged to develop proposals for additional electrification schemes and to specify how they intend to meet any capacity shortfalls otherwise.**
- **Reliable services are essential for business and for passengers. Investment should focus on eliminating bottlenecks and enhancing capacity to ensure delivery of reliable, user-friendly, clock-face timetables.**

- **The Government says that it wants people to have a voice on service provision: the new franchise is an opportunity to give local stakeholders a say in their rail services. It may be time to explore whether devolution to local partnerships of responsibility for infrastructure and operations might better align services to local needs.**
- **Timetable planning must deal with existing pent-up demand and substantial latent growth. Today's service levels barely meet demand. Cuts are unacceptable.**
- **The franchisee should be incentivised to provide additional services where needed, particularly with the surge in demand that comes with electrification. There must be a mechanism for regular review of the service requirement with stakeholders.**
- **Passengers need a reliable, seven-day, railway and the opportunity to get 'there and back' in a day. Rail should do more to exploit its competitive edge by speeding up longer distance journeys to places like Plymouth, Torbay and the far west.**
- **The franchise's trains are already by far the oldest main line fleet in the country. Bidders should have replacement plans for the diesel train fleet with carriage layout and seating designed to accommodate the needs of the contemporary passenger.**
- **Where through services are not practical connections need improving: these need to be made more convenient, with adequate platform staff to assist with changing trains.**
- **Better coordination with the wider public transport network should be encouraged and multi-modal and multi-operator information and ticketing promoted.**
- **The opening at Old Oak Common of an interchange directly linking with Crossrail to Heathrow, HS2 to the north and the proposed new link to HS1 and the European High Speed Rail Network should be supported as providing a step-change in connectivity.**
- **Stations can be focal points for the communities they serve: bidders should look at their improvement with imagination and welcome active community involvement.**
- **The ticketing system should be made simpler and ticket purchase made easier with greater use of electronic ticketing and a less punitive approach towards passengers who mistakenly travel on the wrong train with a restricted ticket.**
- **There is a continuing need to obtain value for money from lightly-used services if they are to be sustainable: less onerous infrastructure and maintenance standards and light-weight vehicles could be appropriate without, in any way, jeopardising safety.**
- **South West lines run as Community Rail Partnerships have seen record-breaking passenger growth. The franchisee should at least match local contributions, so encouraging complementary contributions from local authorities and other partners.**
- **The Government should encourage stakeholders to contribute their local insights, expectations and aspirations to the specification process.**

1. **Purpose:** This document’s purpose is to assist policy makers in preparing for the Government’s Invitation to Tender (ITT) for the new Greater Western franchise. The Department for Transport (DfT) plans to issue the new ITT in May 2012 and to award it by the end of 2012<sup>1</sup>. The franchise will start in April 2013. Refranchising follows FirstGroup’s decision to terminate the current Greater Western franchise agreement, operated by its subsidiary First Great Western, at the end of March 2013.



*The current Greater Western franchise routes (courtesy of First Great Western)*

The current franchise was awarded for up to ten years in 2006. FirstGroup secured the right to relinquish it in 2013, three years early, and it is now exercising this option. The original franchise specification was widely criticised. The franchise agreement was subsequently modified. After persistent representations from stakeholders the inadequacy of its service level specification (timetable) was moderated and some of the planned reductions in the size of its fleet allocation were reversed. The cost of these changes was significant, both for the taxpayer and for the public reputation of the DfT and FirstGroup. This document is intended to pre-empt a repetition of that experience and the difficulties that it caused for passengers, the train operator and the DfT itself.

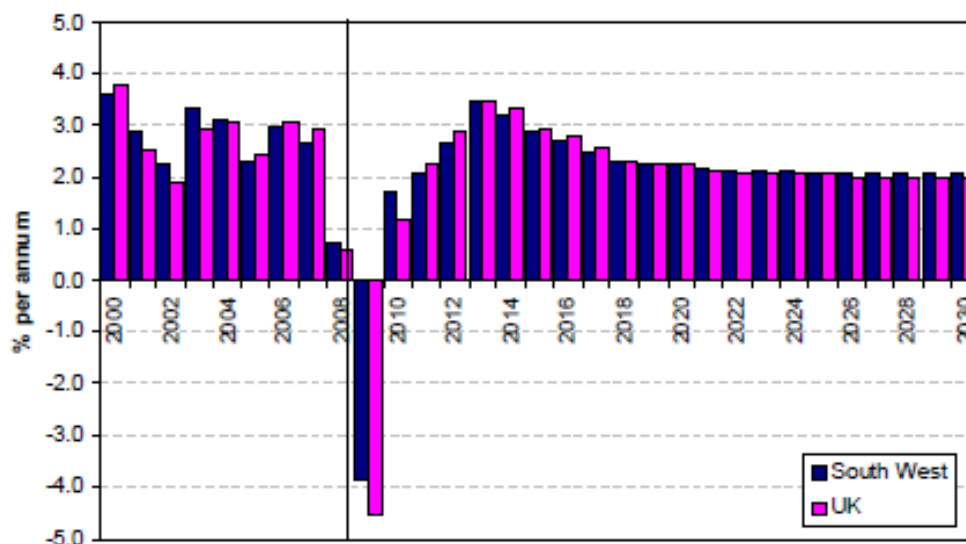
**The 2006 Greater Western franchise award proved unacceptable to all involved – passengers, politicians, and the operator. By listening to what local people have to say there’s a chance of doing better this time round.**

2. **Provenance:** During the summer of 2011 TravelWatch SouthWest set up a meeting with key stakeholders across the South West to explore the potential for a establishing a common view on the possible specification of the new Greater Western franchise. It comprised representatives of the strategic transport authorities, the nascent Local

Enterprise Partnerships and business organisations in the franchise area, including the CBI, the Federation of Small Businesses, Chambers of Commerce and the South West Business Forum, and TravelWatch SouthWest cic, together with its constituent local users' organisations.<sup>2</sup> The meeting was used to identify and seek general agreement on key strategic issues that needed to be addressed in the Department for Transport's specification for the new Greater Western franchise. It drew on expert technical advice from Network Rail, Passenger Focus, the business editor of *Rail* magazine and the South West Observatory. The discussions formed the basis of an initial draft of this paper which was then put out to those present for consultation.

- Unlocking economic growth:** The economy of the South West is projected to grow in terms of Gross Value Added at a rate second only to that of London and the South East<sup>3</sup>.

**Annual GVA growth in the South West and UK, 2000-2030**



*South West Growth Scenarios, Oxford Economics, 2010<sup>2</sup> (South West Observatory)*

However, the full potential of this attractive and relatively wealthy region is held back by the 'productivity gap' between it and the most productive areas of the UK, the 'Greater South East'<sup>4</sup>. This gap is attributed, amongst other things, to the time/distance from some of the UK's major markets<sup>5</sup> and to the congestion that constrains some of the South West's principal conurbations, in part fuelled by poor intra-regional connectivity. Bristol, the largest city in the South West and the West of England's principal financial, administrative and commercial centre, stands out for the slowest moving traffic of any UK city<sup>6</sup>, in part because of the limited role which the current passenger rail services can play in the Bristol travel-to-work area owing to the extent to which the network was truncated in the 1960s. The environs of the Exeter, Plymouth, Torbay and Gloucester –

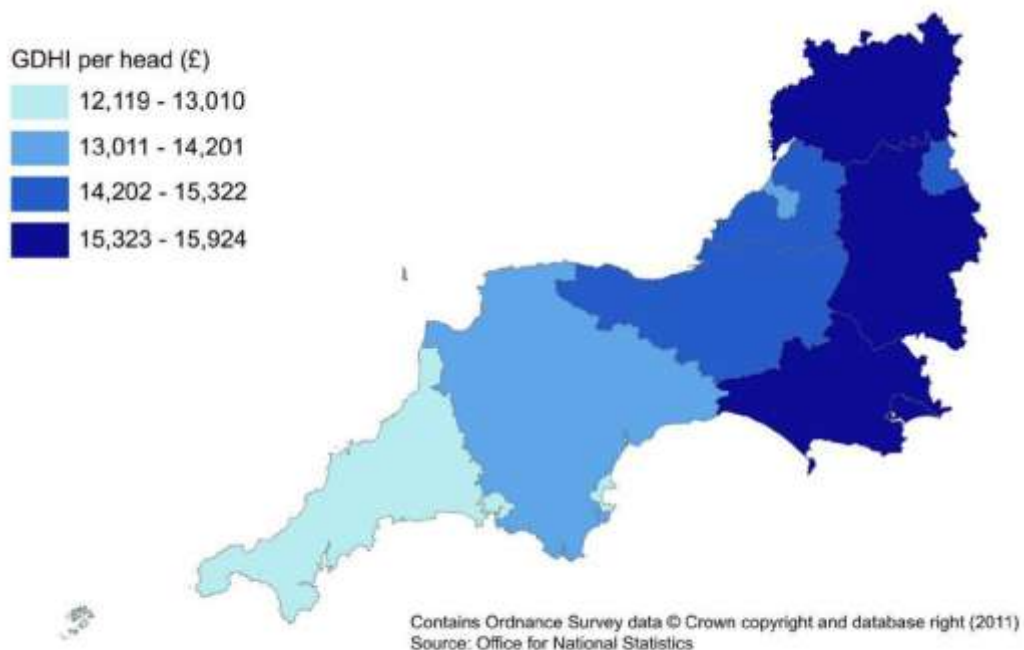
**Productivity decreases by 6% for every 100 minutes of journey time from London**

*Meeting the productivity challenge, University of Bath & University of West of England*

Cheltenham conurbations similarly suffer from congestion, and the limited contribution made by local rail travel in their travel-to-work areas. Indeed, a number of strategic transport authorities in the South West see a particular role for rail in serving growth points, facilitating new employment without a commensurate increase in car traffic.

**Average traffic speed in Bristol is 16.8mph – slower than that the 16.9mph experienced in London** *Source: AA & Trafficmaster*

- 4. Sub-regional wealth disparities:** The South West also suffers from big wealth disparities between its various sub-regions as well as within each of the sub-regions. While Gross Value Added per head is 44% above the English average in Swindon, data from the Office of National Statistics (ONS) show that in Torbay GVA is only 60% of the national average.



South West Observatory [www.swo.org.uk/EasySiteWeb/getresource.axd?AssetID=46933&type=full&servicetype=Inline](http://www.swo.org.uk/EasySiteWeb/getresource.axd?AssetID=46933&type=full&servicetype=Inline)

Gross Disposable Household Income per head is 30% higher in the east of the region than in the far west<sup>7</sup>. The ITT must address these disparities if sustainable growth is to be nurtured.

**Headline Gross Value Added per head at 2008 prices:**

- **Swindon: £30,233**
- **Torbay: £12,589**
- **England average: £20,442**

*Source: ONS*

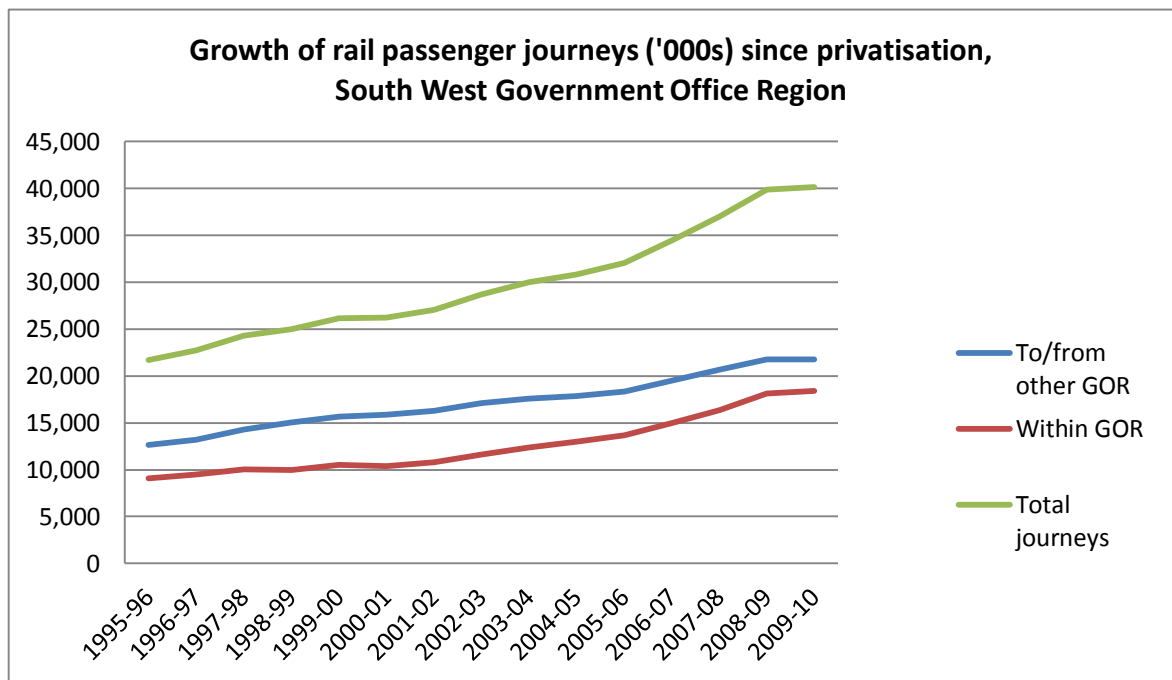
- 5. Fastest population growth:** The South West's economic growth is partly a function of demographics. Over the last twenty years the South West's population has seen the fastest rate of growth and it has had the highest net gains from migration of all the English regions<sup>8</sup>. Its population is projected to remain the fastest growing of any region



between 2008 and 2033, increasing by 30%. In part, this is because people see it as an attractive place to which to retire and its high quality environment makes it an alluring base for “knowledge-led” businesses (where an attractive environment is an important part of the compensation package to attract the right people).

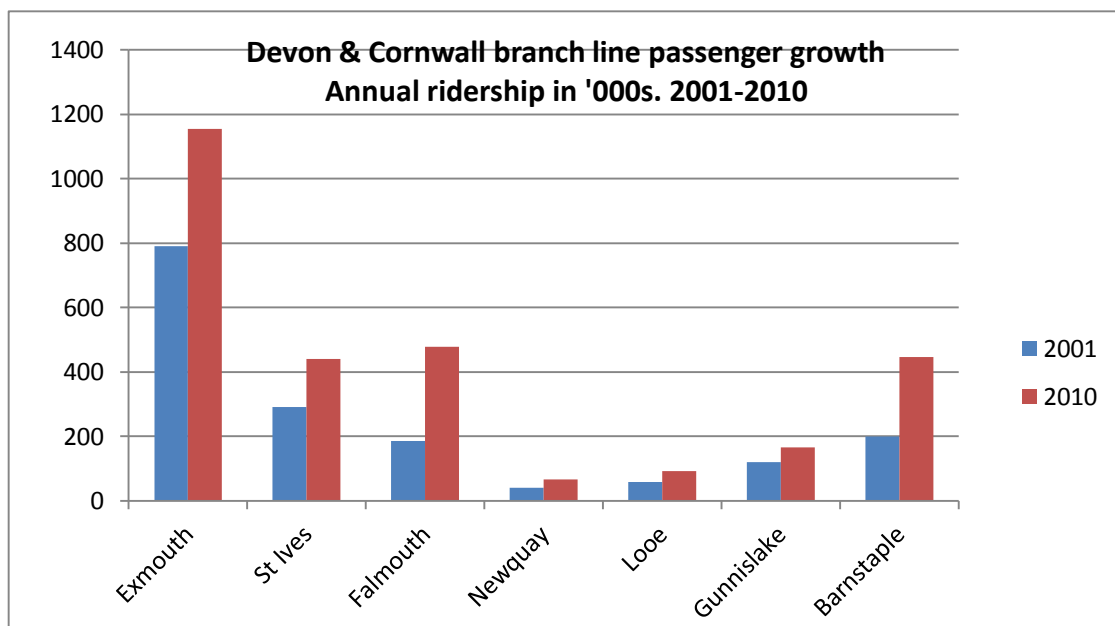
**The South West is the fastest growing part of England: its population is likely to increase by 20% over the life of the franchise** *Source: ONS*

**6. Booming rail use:** These trends are reflected in the rapid growth in rail use in the South West<sup>89</sup>. Passenger journeys in the fifteen years since privatisation have increased by 85%. Journeys to/from London and the South East account for around 40% of trips. Inclusion of journeys to the South West’s two other neighbours, Wales and the West Midlands, brings the figure to half of all rail journeys. More than 90% of the balance comprises journeys made solely within the South West itself, where volumes have doubled since privatisation. Journeys within the Bristol travel-to-work area stand out in particular: these are running at almost three times the level that they were at on privatisation – an increase for which there is no clear equivalent nationally<sup>10</sup>. First Great Western services now dominate the list of the most crowded services in Britain. Some of the worst excesses were moderated when the DfT allocated a limited number of additional vehicles to First Great Western in 2009/10 following widespread public condemnation of the inadequate rolling-stock provisions of the 2006 Franchise Agreement<sup>11</sup>. Dealing with capacity issues must be a priority for the ITT.



(Based on ORR’s National Rail Trends 2010-11)

**7. Growth, despite recession:** Passenger numbers using High Speed Services (HSS) on the main lines to/from London grew annually at an average of 4.2% in the ten years to 2008 and those in the Bristol, Exeter and Plymouth travel-to-work areas grew even faster, averaging 4.6% each year<sup>12</sup>. This growth is holding up, despite the present austerity: like-for-like rail passenger revenue growth was up by 8.5% in the first quarter of 2011, with good volume growth<sup>13</sup>. Investment in improved service frequency has also paid off: numbers on the Severn Beach line have grown by 80% to over 800k annually since 2008 when, with Bristol City Council support, frequencies between Bristol and Avonmouth were increased by 60% to twenty-four trains each way on weekdays. Remarkably, the lines serving the more peripheral parts of the South West have also recorded substantial growth: these dominate the list of the top ten fastest growing lines in England<sup>14</sup>.



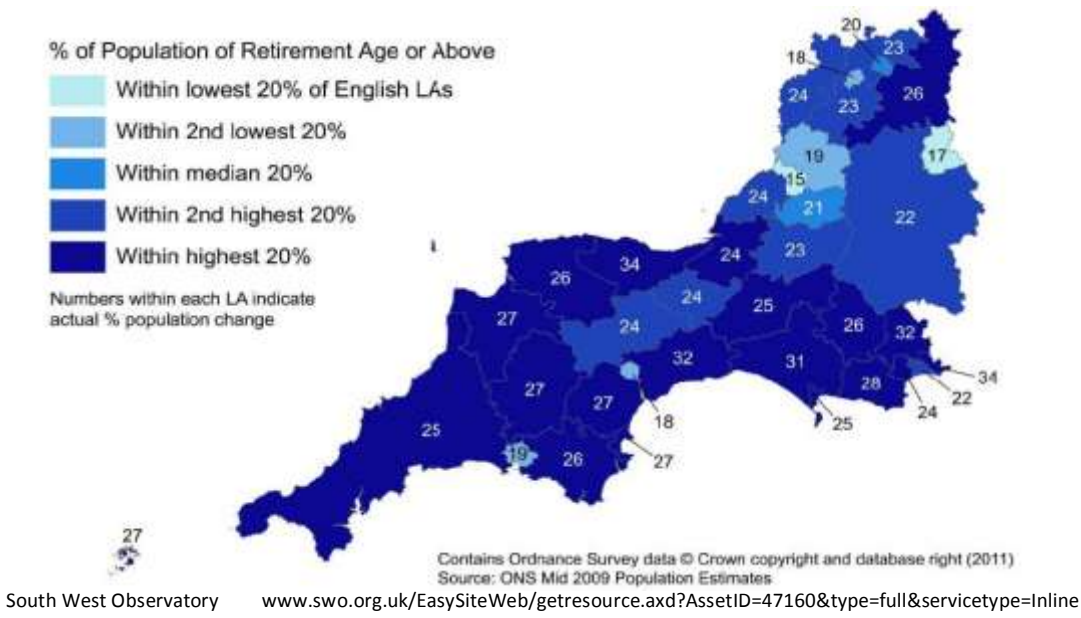
**Rail demand is booming, especially on local lines. Over the last ten years passenger numbers have increased by:**

- **269% to well over 800k annually on the Severn Beach line**
- **158% on the Truro-Falmouth line**
- **124% on the Exeter-Barnstaple line**

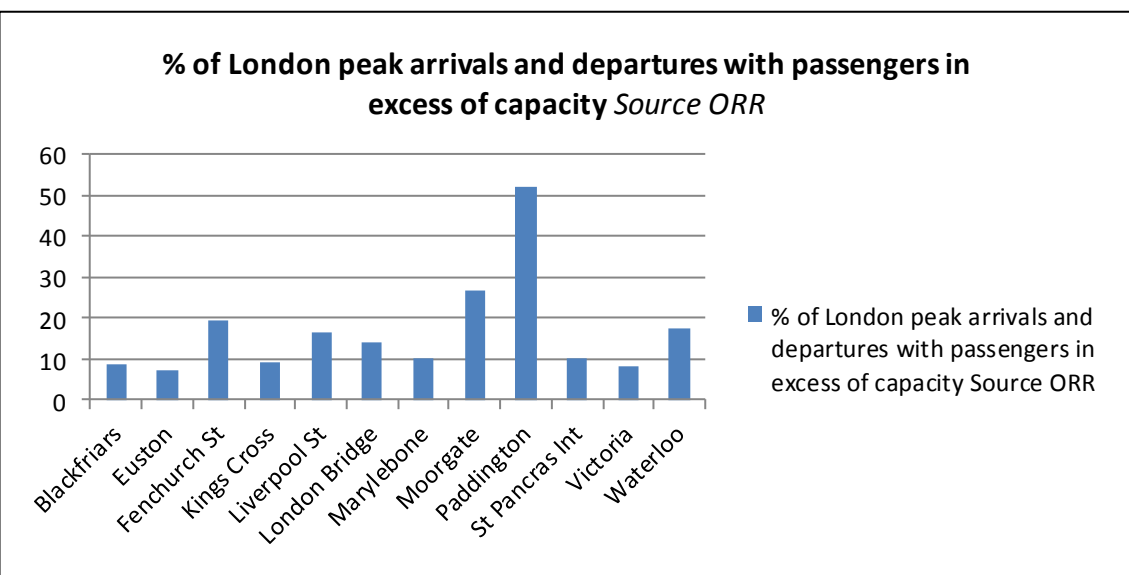
**Local authority support and active community rail partnerships have helped to bring this about**

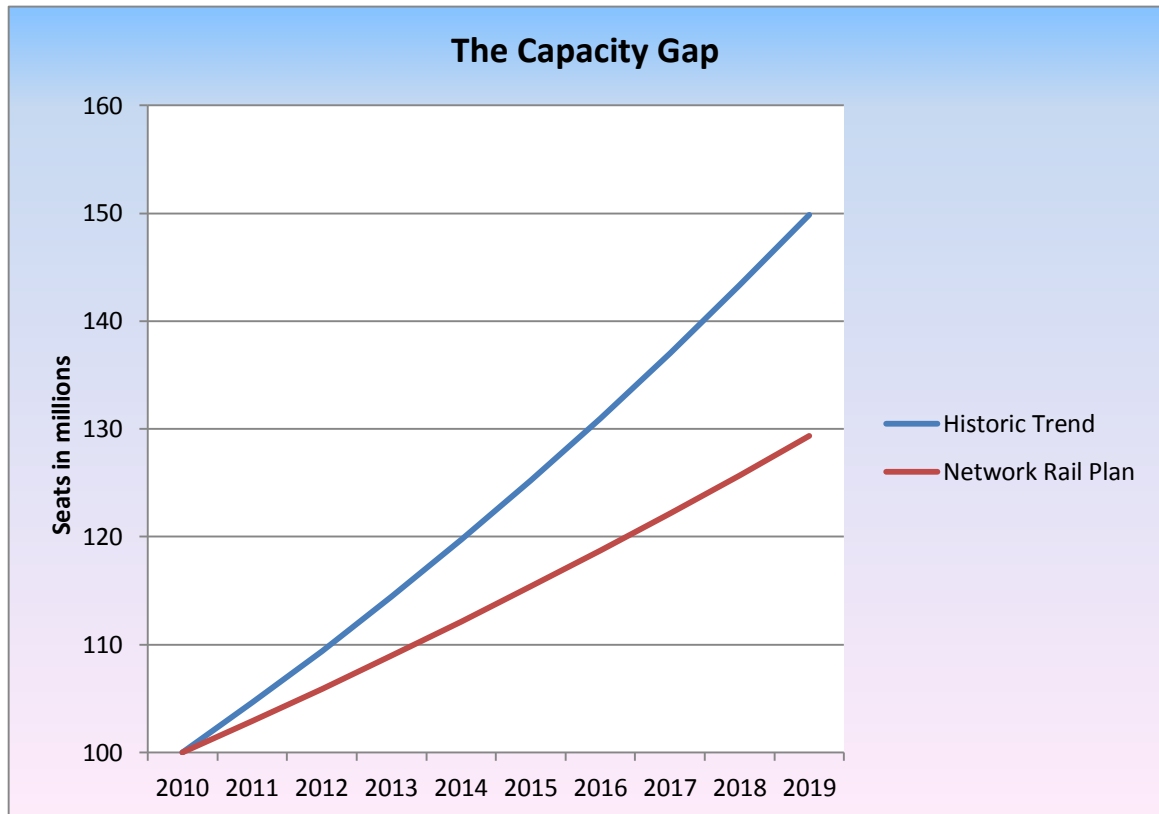
**8. Increasing dependence on public transport:** The demographic profile of the South West indicates a propensity to use public transport when it is available. The proportion of inhabitants aged 65+ is already the highest in the UK and this is expected to increase so that, by 2033, 38% of households will be headed by someone aged 65 or more. This will increase pressure on capacity although it also has the potential to fill seats outside the peaks. Demographic trends will increase the relatively high proportion of people without ready access to a car, van or motorcycle: for example, more than 50% of the population in Torbay aged 11 already lacks motorised transport<sup>15</sup>. This figure excludes

the increasing number of people who may own a car but who only drive exceptionally, or who don't drive after dark or on unfamiliar roads or for long distances. More generally, over half the poorest households and more than a third of those in the next poorest quintile have no car.



9. **The capacity gap:** Network Rail's projections for growth in demand are significantly lower than might be inferred from recent usage data<sup>16</sup>. They understate by as much as one third projections of demand based on extrapolating the growth experienced in recent years. They appear to ignore the evidence base used to inform a wide range of local authority planning documents or the strategies developed for the South West planning region before the shift towards the 'localism' agenda. Nor do they seem fully to take account of the drivers of growth stimulated by service improvements<sup>17</sup> and the growth that is likely to be magnified by the increasing propensity to use rail due to





*The 'Capacity Gap': the contrast between an extrapolation of recent growth and Network Rail's projections for its Great Western RUS area, expressed in terms of planned seat availability (millions of seats). (Source, TravelWatch SouthWest)*

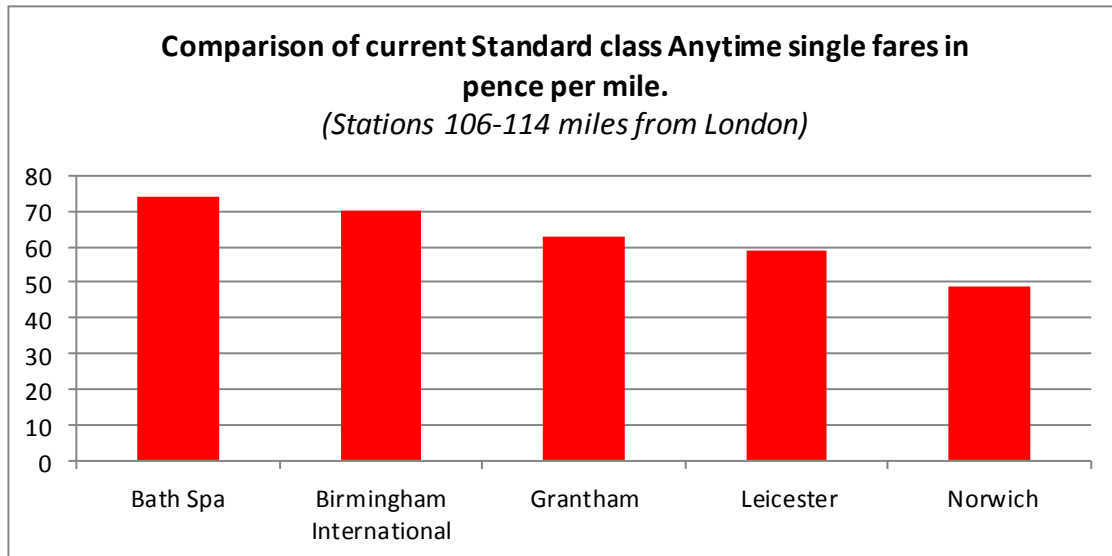
changing demographics and fuel price rises and also to rising population. Unless the capacity gap which already exists is addressed from commencement of the new franchise it will be difficult for strategic transport authorities to promote economic growth and sustainable transport. TravelWatch SouthWest estimates there will be a capacity gap of around 100 million seats on HSS in the franchise area over the next decade.

**Growth projections underestimate the capacity gap that already exists; they ignore evidence indicating that it will widen further. High Speed Services alone are likely to be short of around 100 million seats over the next decade**

**10. Supressed demand:** There is clear evidence of supressed demand. It is partly fuelled by popular perceptions that trains are over-crowded and that rail fares are exorbitant. During the long evening peak at Bristol Temple in autumn 2010, one in four of the services between 1600 and 1859 services was carrying standing passengers<sup>18</sup>. Turn-up-and-go rail fares for have risen significantly faster than inflation: First Great Western stands out for having higher turn-up-and-go fares for some of its flows than fares for comparable journeys elsewhere in the UK, and possibly the whole of Europe<sup>19</sup>.

**Paddington passengers experience the worst over-crowding in the country: almost one in five has to stand in the peak**

*Source: ORR*



The variations in price per mile are also remarkable as can be seen from the analysis of Anytime single fare prices for travel from the franchise’s busiest stations: middle distance passengers (e.g. those travelling to London from Bristol, Bath, Swindon, Taunton and Gloucester) pay considerably more per mile than those living closer to London where, logically, demand is likely to be at its most inelastic. This distorts the



market, discriminating against those living outside the old Network SouthEast territory, by placing disproportionate additional costs on businesses and individuals. In contrast, First Great Western’s train-specific, advance-purchase fares can be amongst the least expensive. Despite these opportunities for lower cost pre-booked travel, potential passengers regard rail fares as ‘expensive’ and ‘complicated’ – implying that prospective

franchisees need to tackle such demand suppression by finding better ways of presenting their ticket offerings and responding to changing retail demands. Discounted advance purchase fares are not a sufficient alternative to the availability of discounted walk-on fares (Super Off Peak and Off Peak), which should be retained in some form, since these fares are crucial for the business community and other travellers who can neither determine the time of their journeys in advance, cope with the range of fare products on offer and the associated restrictions nor manage to afford the standard open fare. As recommended by the McNulty Report<sup>20</sup>, fare structures needs simplifying without an overall increase in fares, to reduce public misconceptions and make better use of spare capacity where it exists. Suppressed demand can obstruct the delivery of wider policy objectives, such as tackling congestion and reducing GHG emissions.

**11. Route modernisation:** The Government's decision to invest £5 billion in modernisation of key parts of the Great Western Main Line is widely welcomed against the background of growth and historic under-provision. The massive investment programme includes electrification to Oxford, Newbury, Bristol and Cardiff and the related InterCity Express Programme (IEP), the major works in the Reading station area, re-signalling with the cab-based, state-of-the-art, European Rail Traffic Management System and Crossrail, as well as the current investment in less ambitious schemes, such as the redoubling of sections of both the north Cotswolds line to Worcester and the more southerly line between Swindon and Kemble<sup>21</sup>. But even these need to be seen in context: the South West's rail network has received a disproportionately low share of investment since the early 1980s; Treasury figures show that the its share of UK identifiable expenditure per head on transport services is substantially lower than that for any other part of the UK – barely half the UK average in both 2009-10 and 2010-11<sup>22</sup>. While the latest plans represent some catch up, much of the network, particularly that serving the far west, has been starved of investment. The investment in the Great Western Main Line doesn't weaken the case for much needed investment right across the franchise territory.

**At barely half the UK average, the South West has long suffered from low levels of investment in its transport networks** *Source: H.M. Treasury*

**12. Managing disruption:** A side-effect of this welcome investment is the disruption that will be felt by Greater Western passengers during the initial five or six years of the new franchise: knock-on effects of engineering possessions in the Thames Valley will be felt throughout the network. Local passengers, whether in Cornwall, Worcestershire or elsewhere in the wider franchise area, will expect to see some benefit more locally for any consequential inconvenience: service enhancements and the provision of extra capacity could be used to mitigate the impact of major infrastructure works scheduled until 2018. Prospective franchisees should be able to demonstrate how they will manage the inconvenience to passengers arising from disruptions to services.

**The downside of the welcome up-grade of the Great Western Main Line and the construction of Crossrail is the likelihood of disruption to services right across the franchise for five years or more. This will need mitigating**

**13. Unintended consequences:** Perversely, some key routes could be disadvantaged by electrification for the long-term unless remedies can be found:

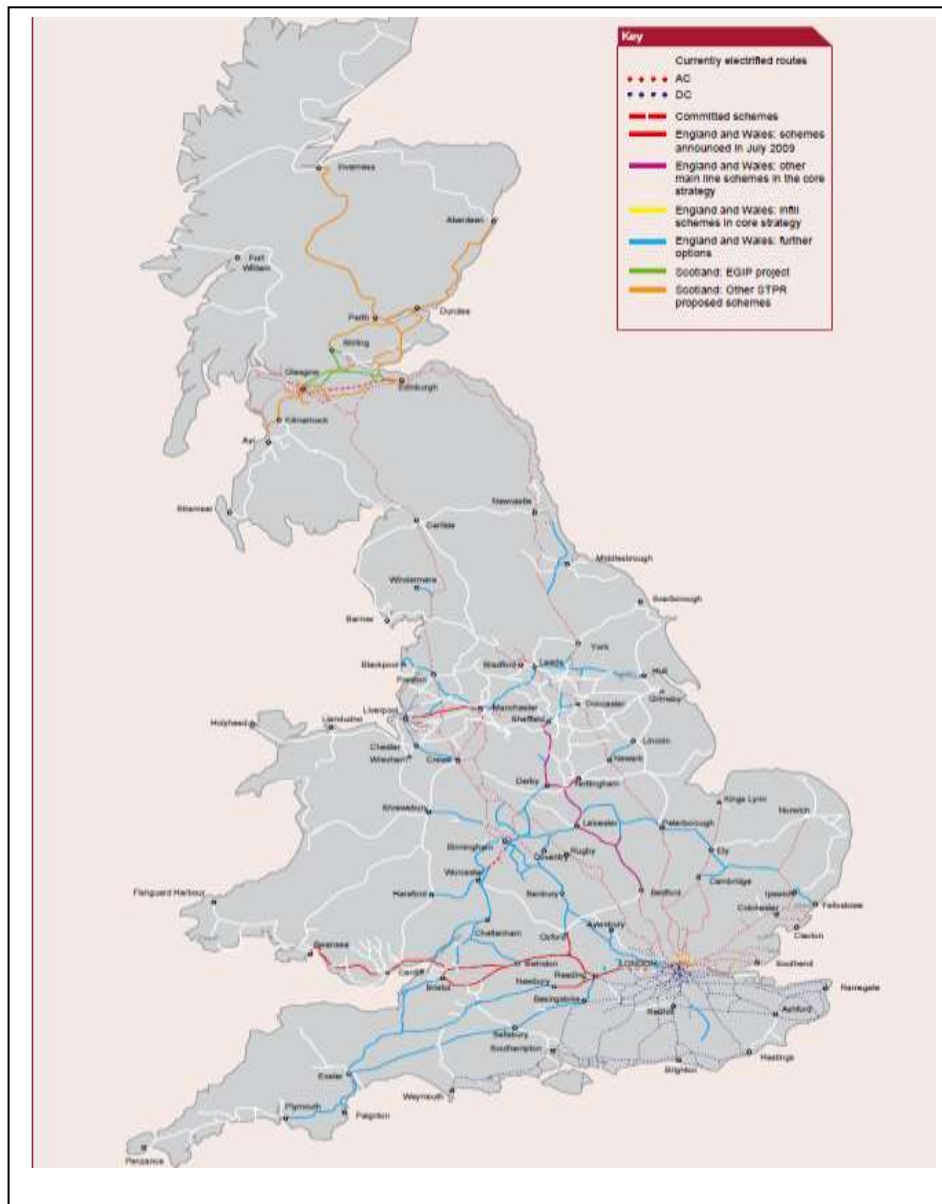
- a. A twice-hourly local electric service is expected to be introduced between Bristol Temple Meads and Cardiff. It would replace the well-patronised services between:
  - i. the South Coast, Bristol and South Wales, as well as services between
  - ii. Cardiff and Weston-super-Mare and Taunton, making through travel less attractive.
- b. It's possible that through services between London and the far west will be reduced; the planned use of new IEP bi-modal trains (trains powered by diesel engines when not under electric wires) between London and Exeter may result in a reduction of through links with points further west, such as Torbay, Plymouth and the whole of Cornwall, which will have to rely on sets retained from the ageing, costly-to-operate, High Speed Train (HST) fleet. The future of through services between London and destinations beyond Exeter require retention of sufficient HSTs pending their replacement.
- c. Without electrification west of Cardiff, trains from the bi-mode fleet will have to be allocated to the hourly London-Swansea services, throwing doubt on the availability of sufficient bi-mode IEPs for the intended peak service extensions beyond Bristol to Weston-super-Mare and Taunton.
- d. The plan to electrify the Berks & Hants route from Reading only as far as Newbury leaves a question mark over the future of the diesel operated services to/from Hungerford and Bedwyn. This high frequency service presently forms a continuation of services between London and Reading and Newbury; they provide an important link around half a million passengers journeying from a wide area of east Wiltshire and west Berkshire, thereby relieving congestion on the M4, the section from J13 (Newbury) to J1 (West London) already being the fourth worst section for delay of the national motorway network<sup>23</sup>.

The lack of resilience in the committed electrified network, in terms of alternative electrified routes during blockades, will lead to an even greater call on the remaining diesel fleet at the possible expense of more peripheral destinations such as Cheltenham, Hereford, Penzance, Plymouth, Torbay, and Weston-super-Mare. A commitment to retaining sufficient HST sets to cover these eventualities should form part of this franchise specification. Passengers need reassurance that electrification, however welcome, will not adversely affect established access to work, education, shopping, leisure and other essential services or – perhaps more potently – property values.

**Decision makers must ensure that hundreds of thousands of passengers don't lose out inadvertently from the way in which electrification of the Great Western is rolled out**



**14. Extending Electrification:** The Government is committed to progressive electrification of the rail network in England and Wales<sup>24</sup>. Electrification should be rolled-out to more



*Network Rail's Core & Further Electrification Options (Electrification Route Utilisation Strategy, 2009)*

of the area during the life of the new franchise. The consultation ITT for the Intercity West Coast franchise says that the DfT is prepared to receive proposals for additional electrification schemes on those routes<sup>25</sup>. Logically, this should also apply to Greater Western. This will be particularly significant in meeting the demand for improved local services in the Greater Bristol travel to work area and in securing adequate diversionary routes during engineering possessions of the electrified Great Western Main Line to Bristol and Cardiff. What's more, the franchise arrangements should facilitate the likely electrification of adjoining parts of the national network, such as the route from Bromsgrove to Plymouth which provides the backbone of the CrossCountry franchise and for which Network Rail identified an impressive benefit-to-cost ratio of 5:1<sup>26</sup>. The 'network' aspect of the railway mustn't be ignored. Decisions may be forced by the



need to resolve eventual replacement of the HST fleet as well as the need for full compliance by 2020 with the PRM TSI<sup>27</sup> and the Rail Vehicle Accessibility Regulations: unless derogations can be obtained, retention of the existing train fleet may involve expensive modifications<sup>28</sup>. The ITT should take account of the recommendation in the Rolling Stock RUS that 'the benefits of maintaining continuity of rolling stock production are considered at an early stage in refranchising'<sup>29</sup>, reducing the unit costs and providing regular orders to safeguarding the economy where train manufacturers are located<sup>30</sup>.

**Bidders should be asked to come forward with plans for local electrification schemes to relieve urban congestion and ensure diversionary capacity**

**15. Reliability & Resilience:** In a survey of over 200 businesses across the region, 64% said that reliable main line rail services are an essential part of the region's future transport needs<sup>31</sup>. The top 'asks' from businesses are reliable services, better quality (including sufficient capacity) and better value for money<sup>32</sup>. These findings are consistent with the priorities of passengers as a whole<sup>33</sup> and also important to the attraction of rail for the South West's important tourism and leisure market (which often embraces market towns as well as coastal destinations). With the density of services planned for the electrified routes adequate diversionary capacity is needed to ensure some resilience in responding to incidents and planned works. There are some obvious candidates for early in-fill electrification, including:

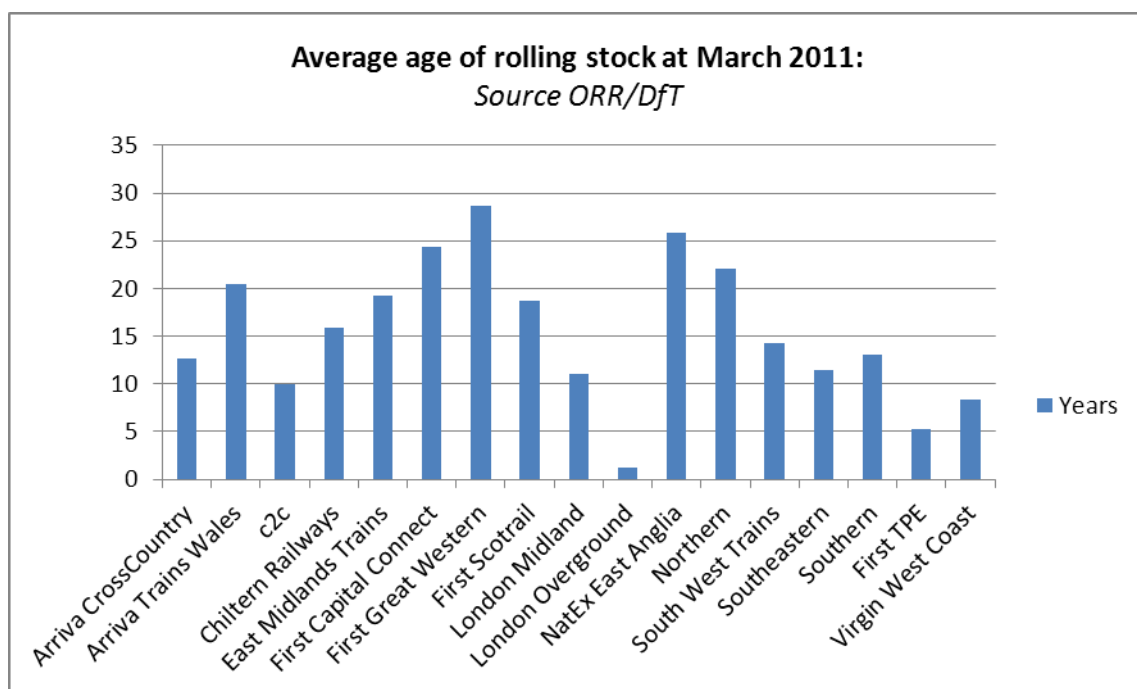
- a. the Berks & Hants from Newbury to Westbury and on to Bathampton and Thingley Junctions
- b. the Swindon-Gloucester-Newport route, relieving the Severn Tunnel

Alternatives will be required to maintain rail services to destinations on the Great Western Main Line at times when parts of the electric route are unavailable. Reliability and resilience could be aided by judicious investment, with a Swiss-style focus on eliminating of bottlenecks and enhancing capacity to ensure delivery of inherently more reliable interval service timetables. One of the lessons of the 2006 Greater Western franchise was that sufficient depot facilities are essential from the outset: service delivery was badly affected by the delay during the early years of the franchise in securing capacity closer to trains' operating areas.

**Passengers and businesses give priority to reliable services**

**16. 'Do-nothing':** Electrification and the introduction of new rolling stock is, quite logically, beginning in the busier eastern part of the franchise territory. However, the far west suffers from the greater lack of rail connectivity and lower productivity; service levels under the new franchise arrangements will depend of the continuing availability of sufficient serviceable HSTs the first of which first entered service thirty-six years ago. The rolling stock currently allocated to the franchise has an average age of twenty-nine years and is the oldest main line fleet in the country<sup>34</sup> while its oldest constituent, the HSTs, have the highest accumulated mileage. Inevitably, there is concern that much of the older fleet is no longer fit for purpose: many commuter services are equipped with trains with doors whose access is such that they require prolonged station stops at busy times; HST's discharge solid waste from their toilets directly onto the tracks in stations

and have doors which can only be opened from inside by sliding down the window and leaning out; air-conditioning is often unreliable and the ambiance of the train environment often compares poorly with that of a bottom-of-the-range family car; on-train passenger telematics are poor, even if present; the older rolling stock will require major modification to secure legislative compliance during the life of the franchise. Meanwhile much of the infrastructure dates back to the route’s modernisation for the launch of HSS in the nineteen seventies while other parts of the network still rely on nineteenth century signalling. In the absence of proposals for further electrification, prospective franchisees should be required to identify how they intend to deal with the consequences of non-electrification: they should set out plans for increasing line capacity, describe their rolling stock strategies for non-IEP services and their preferred approach to ensuring diversionary capacity and network resilience, bearing in mind Network Rail’s ambitions for a 365 day railway.



**17. Voice:** The Government has emphasised its commitment to ‘open public services’: it describes these as being both responsive to the needs and demands of service users and to taxpayers’ expectations for value<sup>35</sup>. It has identified the need for improved accountability mechanisms saying that, where choice needs bolstering or is inevitably limited (as in public transport service provision), the people need a “Voice” as well, exercising it through participation in the design, monitoring and modification of services, and that it should be championed by elected representatives, such as councillors, and unelected representative bodies, such as consumer organisations and LEPS. It follows that there should be an obligation on the franchisee to cooperate constructively in this, with regular dialogues with stakeholders, the provision of regular information to inform stakeholders’ understanding of the management of the franchise and consultation on service development and performance, including on passenger complaints and their handling. The need for adequately resourced measures and mechanisms for the protection of passenger’s interests and to deal with complaints of poor service, both general and specific to individual passengers are more necessary than ever following the

contraction of Passenger Focus's resources and activities. The franchisee should provide funding to facilitate this although arrangements must be such that the independence of the mechanism for giving "Voice" to stakeholders' views is not compromised. A closer relationship with local stakeholders would provide greater accountability and improve the identification of necessary adjustments to the franchise agreement or of its associated Timetable Service Requirement (TSR) facilitating the early consultation on timetable development that the Government wishes to see<sup>36</sup>. "Voice" should under-pin periodic reviews, allowing assessment of service delivery against pre-determined outputs, including measures of passenger satisfaction, evaluation of changes likely to affect the franchise and of any consequent need for modification of the TSR or other key aspects of the franchise agreement. More flexibility should be allowed to the Franchisee to alter services in consultation with stakeholders without needing DfT approval unless it impacts on other franchises. More generally, if the DfT chooses not to go for a highly prescriptive initial specification for the ITT it is essential that the criteria on which the Government will be selecting the successful bidder is transparent and that consultees on the ITT should have the opportunity for meaningful consultation on those criteria that will determine the service level actually delivered to their area.

**The Government says that it wants people to have a voice on service provision: the new franchise is an opportunity for local engagement**

**18. Service level specification:** First Great Western currently schedules over half a million train services each year<sup>37</sup>. This is a greater number than the company contracted to provide under the 2006 Greater Western franchise agreement. Thousands of these additional services are provided by the company at its own commercial risk or facilitated by third party financial support, normally from local authorities<sup>38</sup>. Current service levels often only just meet existing demand: the current timetable should be the absolute minimum, but not "set in stone", so that the franchisee is incentivised to improve on it. The example of the InterCity West Coast ITT suggests that the DfT may be inclined to employ a specification that has much higher-level objectives instead of the very specific objectives of the previous Greater Western franchise. However routes to Oxford, Newbury, Bristol and Cardiff have already been specified very precisely through the electrification/IEP project. Routes falling outside that project have not been so specified and they are inevitably vulnerable to attempts to maximise premium payments from the successful franchisee.

**Communities need reassurance that service levels will at least match those of today: every week First Great Western runs hundreds more services than it is obliged to do under the franchise agreement**

**19. Service evolution:** Services additional to those in the 2011 timetables will be needed from 2013 to cope with burgeoning demand. Further improvements are likely to be needed by 2018 with the step-change in demand generated by electrification and the completion of the upgrade of the main line through the Thames Valley to London. The ITT should set out a minimum specification for each service for the two dates, giving first and last times, all day and peak frequencies, the maximum gaps between trains and the minimum number of seats per train in peak and off peak, so that the bidders are clear as

to the what is required to meet current needs and future growth plans. Given the underlying trend of growth, and the likely length of the new franchise, a mechanism is needed for reviewing the specification at regular intervals throughout the franchise period with local authorities, LEPs and other stakeholders, including representatives of users. Revised specifications should exploit the benefits of investment in network upgrades: for example, the release of stock displaced by electrification from about 2017/2018 allows the cascade of vehicles from the Thames Valley to serve other parts of the franchise area where the high-capacity, low station dwell-time characteristics of the Class 165/166 Turbos could deliver services to a specification that is better matched to user needs<sup>39</sup>.

**A mechanism is needed for reviewing the Timetable Service Requirement at regular intervals with local authorities, LEPs and other stakeholders**

**20. Competitive timetabling:** Long-distance rail services in the South West have failed to maintain the competitive advantage gained with the launch of HSS while little has been done to exploit the potential of buoyant inter-regional services like those between the South Coast, Bristol and South Wales. Rail wins out over other modes for journeys of up to three-plus hours, but this has not always been acknowledged by service planners in the Greater Western area. Without recognition that time is of the essence, there is a risk that the gap will widen further between the conurbations along the M4 corridor that benefit directly from investment in electrification and IEP and those, like Plymouth and Torbay, whose links with London will remain reliant on the 1970's diesel fleet. By way of example, Plymouth urgently needs to improve its connectivity if, as the UK's fourteenth-largest conurbation, it is to overcome perceptions of the far west's poor connectivity following closure of its airport<sup>40</sup> and the impact on its image as a place to do business. As noted earlier- and reinforced by the Secretary of State himself<sup>41</sup> - good connectivity is inextricably linked with opportunities for economic growth. Competitive timetabling also needs to reflect the significant changes in people's use of time over the last three decades: we generally start earlier, work longer hours and, with the relaxation of Sunday-trading legislation and other drivers of change, there is a greater demand for Sunday travel. For too long, the needs of those without a car, or of those who prefer to travel by other modes, have been overlooked in a way that is anachronistic in the modern seven-day economy. Today's passengers need a seven-day railway. They also need connectivity, with effective links between origination points and destinations, something well-demonstrated by Swiss service planning. The principal conurbations (which are also often network hubs) also need competitive and regular links with one another and particularly with London, enabling people to spend a full day at their destination, whether for leisure or work. These requirements go beyond leisure-based travel and all have a clear economic dimension.

**Passengers need a reliable, seven day railway and better opportunities to get 'there and back' in the day**

**21. Connectivity:** Many passengers prefer to be able to make through journeys, in part reflecting the demographic profile of the South West's population and the proportion of

journeys accounted for by leisure and more occasional rail travellers. But there is also a strong case for improved connections *within* the region. Urban centres in the South West, increasingly the key to growth, are more widely scattered and often support a larger rural hinterland than any other part of England. Where through services are not practical it is important that connections are physically easy to make and that platform assistance is available for that wide spectrum of persons with reduced mobility. Good connectivity with the wider public transport network contributes to easing congestion in major conurbations such as the West of England conurbation around Bristol, and in the environs of Exeter and Torbay, Gloucester-Cheltenham, Swindon and Plymouth. If the full benefits of the public transport network are to be reaped there needs to be improved timetable planning, enabling Swiss-style connectivity of services and, where reasonably practical, coordination between transport modes. There is a need to promote multi-modal, multi-operator ticket schemes (e.g. Freedom Travelpass) and smartcards. The DfT has supported the South West's smartcard initiatives and an ITSO back office system (HOPS) for the whole of the South West is being set up<sup>42</sup>. Hence the franchisee should be required to work with the strategic transport authorities in establishing and participating in multi-modal ticket schemes, accept ITSO compliant smartcards and cooperate with local authorities and developers in supporting the development of transport hubs.

**'End-to-end' public transport planning needs to be encouraged.**

**22. International connections:** There are opportunities for a step-change in the international connectivity of the South West during the new franchise period. Despite the largely successful development of regional airports in the South West London Heathrow is by far the most important airport hub for passengers in the Greater Western area. Poor rail access to and from the west puts additional stress on the strategic road network and impairs the South West's economic potential. Heathrow needs direct rail access from the west such as the mooted end-on connection with the Heathrow Link Line at Terminal Five by way of the Colnbrook freight branch<sup>43</sup>. Realisation of the plan to stop all Greater Western services starting from, or going to, Paddington at a new interchange station with HS2 and Crossrail at Old Oak Common should also improve access as will the direct link at Old Oak Common with HS1 and the European High Speed Rail Network proposed by HS2 Ltd. This will transform the connectivity of the South West: the new franchise must accommodate this potential. Access to Gatwick also needs improving for travellers to and from the South West: the direct trains from Reading average little more than 40 mph for the 52-mile journey. Despite being electrified for about half its extent, these rely on diesel-powered rolling-stock, with inadequate luggage capacity for airport work and better suited to commuter services. Prospective franchisees should be encouraged to address these challenges, including the further stimulus that they will give to demand.

**An interchange with Crossrail and HS2 at Old Oak Common could lead to a step-change in the South West's connectivity**

**23. Service capacity:** A disproportionate number of services in the franchise area carry passengers in excess of capacity. This reflects various factors including the failure of the 2006 franchise specification to match vehicle allocation with demand, the growth in travel through the Thames Valley (which even the *London & South East RUS* projects to increase by more than 200% over the life of the new franchise), and the fluctuating demands of the South West's leisure market. Over-crowding is not confined just to Thames Valley commuter services and long-distance peak holiday services. Passengers on local services are regularly unable to board trains at intermediate stations.

**Their geographical distribution of trains that are regularly 'full and standing' is widespread. Particularly notorious 'West' services include:**

- **0640 Weymouth-Bristol Parkway from Westbury to Bath,**
- **0714 Exmouth-Paignton from Dawlish to Torre**
- **0720 Severn Beach-Bristol Temple Meads to Clifton Down,**
- **0730 Cardiff-Portsmouth from Newport to Filton Abbey Wood**
- **1254 Penzance-Newton Abbot from Par to Plymouth**
- **1528 Warminster-Great Malvern from Bristol to Yate**
- **1613 Paignton-Exmouth from Torre to Dawlish**
- **the 1644 (FO) Penzance-Taunton from Newton Abbot**

In 2007 the DfT published a Rolling Stock Plan that recognised, to an extent, the need to increase the size of the local fleet available to the Greater Western franchise<sup>44</sup>. The DfT subsequently announced that it would procure 44 additional diesel vehicles, a decision that it later revoked in developing the business case for electrification of the Great Western Main Line. Despite the transfer of some additional vehicles, displaced by the arrival of more modern rolling stock elsewhere in Britain, over-crowding problems in the South West have become more acute. Seasonal traffic into the far west presents a particular challenge; tourism is vital to the economy of large parts of the franchise area, where there is a marked rise in summer use of trains, and particular problems of over-crowding at present<sup>45</sup>. Services with more capacity (as opposed to more frequent services) would solve some of the difficulties. Summer Fridays and Saturdays are especially over-crowded and their wide reputation for this contributes to worsening congestion of the strategic road network. The new franchise must eliminate overcrowding where it is occurring already and should make provision to address it wherever it can be foreseen – but not by raising fares to deter travel. The franchisee should be required to measure “passengers in excess of capacity” and published the results. Once a set level is exceeded, the franchisee should be required to address it. To do that, the franchisee must be given the freedom to acquire additional rolling stock.

**Last autumn the ten most crowded services arriving at, or departing from, any London terminus during the morning and afternoon peaks were Paddington services. On some services, more than half the passengers were without a seat** *Source: DfT/ORR*



**The successful franchisee should be obliged to deal with over-crowding – not by increasing fares to deter travel but by having the right to bring in additional rolling-stock without months of negotiation with the DfT**

**24. Train quality:** Procurement of new trains and refurbishment of the existing fleet, whether the High Speed Trains retained for services to the far west or diesel multiple units allocated to faster inter-regional services or more local work, will provide an opportunity for improvements to the quality of trains from a passengers' perspective. Important regional routes like that between the South Coast, Bristol and South Wales perform multiple roles (e.g. local and inter-regional travel) and, with rolling stock of higher quality<sup>46</sup>, have the potential to attract more passengers. Under the present franchise a compromise has been made in the design of train interiors with the result that no section of the passenger market is entirely satisfied: in future High Speed Trains used on long-distance services will have a much reduced role in Thames Valley commuter duties. Layouts and seating can be designed for the needs of long-distance leisure and business passengers – meeting the needs of passengers with reduced mobility (which means anyone who has a particular difficulty when using public transport, including elderly persons, disabled persons, persons with sensory impairments and wheelchair users, pregnant women and persons accompanying small children<sup>47</sup>), aligning seating to windows, providing leg-room consistent with longer-distance travel, ensuring adequate space for laptops and Wi-Fi connectivity etc.<sup>48</sup>, baby changing areas and sufficient luggage space (within sight of the passenger) whilst increasing provision for bicycles, surf-boards and other accoutrements of the West Country life-style.

**The majority of business travellers now work or study during their rail journey and assess this as being very worthwhile – a distinct advantage over car travel. Source: UWE**

**25. Development:** The Government's reform of rail franchising<sup>49</sup> recognised that, while implementation of Local Transport Plans (LTPs) may not be directly profitable to operators, the integration of rail with local transport regularly delivers social, economic and carbon benefits to the local economy. Despite the commitment to carbon reduction, along with economic growth, as a key driver of its transport policy, it sometimes appears to stakeholders in the South West that Whitehall is readier to recognise the potential of rail to deliver more sustainable, lower carbon generating activity in London and the largest conurbations than in cities like Bristol, Exeter and Plymouth. Part of the employment and housing growth planned by local authorities will be located near new stations or around reinvigorated rail corridors. It is important that rail industry strategies and processes should allow for closer integration with democratically-validated Local Development Frameworks<sup>50</sup> (LDFs) and LTPs. Where infrastructure development has been supported in LDFs and LTPs, the franchise should facilitate the provision of services<sup>51</sup>. A core principle underlying the Government's proposed National Planning Policy Framework is that planning policies and decisions "should actively manage patterns of growth to make the fullest use of public transport, walking and cycling, and focus significant development in locations which are or can be

made sustainable”<sup>52</sup>. Partnerships with local authorities, developers and other stakeholders need fostering. The Community Infrastructure Levy can be used to secure developer contributions which can then be pooled with other sources of funding, such as Section 106 Agreements, to meet infrastructure needs. Prospective franchisees should set out proposals for dealing with the opening of new stations or the provision of additional services, where these have been the subject of serious consideration by the relevant transport or planning authority (e.g. new stations in the growth areas around Exeter and at Quedgeley on the main lines south of Gloucester and the Portishead and Tavistock branches, both of which are linked to major housing extensions).

**Local authorities need a mechanism to ensure that they are able to make best use of developer-funded contributions for improving the rail infrastructure and improving services**

**26. Stations:** Passenger satisfaction with the condition of stations in the franchise area, particularly their upkeep and repair, cleanliness, and their facilities and services has been one of the present franchisee’s poorer areas of performance<sup>53</sup>. Many doubt that the division of operational responsibility for the maintenance, repair and renewal of stations between the franchisee and Network Rail works in the interests of either passengers or the wider community that each station serves: an obvious illustration of this is the way that station renovation schemes lack visible coordination with those parts for which Network Rail has responsibility (such as awnings and footbridges over running-lines). Stations can be attractive focal points for the communities that they serve, given a more imaginative approach to the use of redundant buildings and space. The South West’s Community Rail Partnerships have already demonstrated what can be achieved with imagination and a constructive attitude by the local train operator to community participation. The franchisee should be incentivised to bring imagination to the development of its stations: they can be attractive focal points for the communities they serve. The industry also needs to address the dissatisfaction with car parking arrangements evident from the *National Passenger Survey*<sup>54</sup>. Uncertainty as to the availability of spare car parking space, combined with a pricing strategy that often results in people paying more to park than to ride the train, drives passengers to the relative certainty of the strategic road network.

**Bidders should demonstrate a proactive approach to station development with imagination and a welcome to community engagement**

**27. Revenue Collection and Protection:** Revenue collection and protection need improving. Honest passengers resent fare evasion and are frequently critical of the rail industry’s failure to make ticket purchase easier. Passengers need access to appropriate information on the best fare for their journey, especially with reductions in ticket office staffing and greater dependence on on-line sales and ticket vending machines. Until the potential of ICT and electronic ticketing is exploited better, station ticket offices must either be staffed or ticket vending machines provided in sufficient number to cope with peak demand. Where stations are gated the system should not be left open and



unstaffed. The penalty fares' regime should recognise that in crowded trains it may be impossible for conductors to sell tickets while many stations do not have sufficient ticket vending machines – if any. The regime should also recognise the inequity of charging people twice when they find themselves to be travelling on the wrong train – an occurrence whose frequency is magnified by the complexity of the ticketing system. At the very least, any money paid for restricted tickets should be offset against the correct fare.

**The system for obtaining tickets should be made easier and simpler, with greater use of electronic ticketing**

**28. Local rail:** The rapid growth in the use of the South West's branch lines and secondary routes – helped by the work of community rail partnerships and associated users' groups and often enabled through local authority support – confirms their significance. Yet their value for money needs continuing improvement if they are to have a secure future. As the McNulty Review<sup>55</sup> recognised, their costs are driven by the rail industry's present structure, its organisational and working arrangements and Railway Group Standards (which are designed for national application rather than services operating at lower speeds with traffic-loads requiring lighter axle weights). Worthwhile savings might be achieved with more appropriate, less onerous infrastructure and maintenance standards (with allowance for the needs of any potentially viable freight or charter traffic) and the use of a new generation of light-weight vehicles without, in any way, jeopardising safety. The ITT should provide a framework for prospective franchisees, local stakeholders and the DfT to explore with Network Rail and ORR the scope for greater innovation and local involvement development of these services, including the conditions on which some local authorities might be prepared to share in the risks of nurturing them.

**There is a growing need to address the replacement of life-expired or non-compliant vehicles for local lines. Vehicles with lower axle-weights may be one solution, contributing to reduced operating and maintenance costs**

**29. The Localism agenda:** The Government says that it is committed to decentralisation, localism and devolution throughout the transport sector – including rail<sup>56</sup>. The DfT's Community Rail Strategy has already led to significant passenger growth; it is time to see what might be achieved through better alignment of service provision with local needs and the devolution of responsibility for infrastructure and operations. Formal Community Rail Partnerships in the Greater Western area have been underpinned by the requirement for the franchisee to work with, and put money into maintaining the Partnerships. The new franchise agreement should build on this success and the franchisee should at least match local funding, thereby encouraging complementary contributions from local authorities and other community partners.

**“Decentralisation, localism, devolution. This approach is at the heart of the Government's overall policy approach - and the transport sector is no exception.” Rt Hon Theresa Villiers MP, Minister of State, DfT, 18<sup>th</sup> July 2011**

### 30. Conclusion:

This paper is designed to reflect a consensus view of strategic transport authorities, business organisations, users' groups and other key stakeholders. It aims to provide a coherent framework for the specification of the new Greater Western franchise within which those with more specific or local insights can articulate their aims and aspirations. The important thing is that there is broad agreement on a coherent approach. None would want to see a repeat of the problems experienced during the early period of the 2006 franchise award – the near collapse of an ill-resourced operation, the opprobrium in which the Department for Transport and its Ministers found themselves held through much of the South West, the challenge posed by the fares' "strike" in the West of England and the eventual cost penalties incurred by taxpayers and FirstGroup plc in trying to put things right. At the very least, this paper provides an opportunity for those charged with preparing the specification for the Greater Western franchise to address concerns that are otherwise likely to emerge during the consultation process. It should give alert prospective bidders a flavour of the South West's expectations.

### FOOTNOTES

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<sup>1</sup> Prior Information Notice, *Official Journal of the European Union*, DfT Contract Notice issued 5<sup>th</sup> August 2011

<sup>2</sup> Representatives of the following organisations registered to attend the Taunton meeting and contributed to the preparation of this document:

Association of Transport Coordinating Officers; Bath and North East Somerset Council; Bristol City Council; Cornwall Council; Devon County Council; Dorset County Council; Exeter City Council; Forest of Dean District Council; Gloucestershire County Council; Hampshire County Council; North East Somerset Council; Plymouth City Council; Somerset County Council; South Gloucestershire Council; Torbay Council; Wiltshire Council; Worcestershire County Council; Heart of the South West Local Enterprise Partnership; West of England Local Enterprise Partnership; The Cornwall & Isles of Scilly Local Enterprise Partnership; South West Business Forum; Federation of Small Businesses – Devon region; Federation of Small Businesses – Somerset and Wiltshire region; Federation of Small Businesses, South West; Confederation of British Industry, SW; SW Trades Union Congress; Business West; TLT LLP (Solicitors); Passenger Focus; South West Observatory; Network Rail; Confederation of Passenger Transport; *Rail*; Brittany Ferries; Chartered Institute of Logistics & Transport; Campaign for the Protection of Rural England – Devon; Campaign for Better Transport (Bristol and Bath); South West Seniors Network; Somerset Older Citizens Alliance; Transition Bath; VisitCornwall; Topsham Community Association; Exmouth Community Association; Devon and Cornwall Rail Partnership; Three Rivers Community Rail Partnership; Severnside Community Rail Partnership; Tarka Rail Association; St Germans Rail Users Group; Avocet Line Rail Users Group; Torbay Line Rail Users Group; Ivybridge Rail Users Group; Association of Kennet Passengers; Railfuture Wessex; Sherborne Transport Action Group; Totnes Rail Transport Group; TravelWatch SouthWest CIC.

<sup>3</sup> See Appendix 1, *South West Economic Projections: Spring 2011*, South West Observatory and South West RDA, <http://economy.swo.org.uk/publications/simulations-and-forecasts/projections/forecasts>

<sup>4</sup> The Rt Hon Philip Hammond MP, Secretary of State for Transport has made the point that "Unbalanced growth is not just bad for the North: it's bad for the entire country" in arguing the case for HS2. Speech at *Transport Times* Conference, 3<sup>rd</sup> March 2011. Earlier this year Philip Hammond, the Secretary of State for Transport, drew attention to the importance for the whole economy of balanced growth, noting that half of the UK's growth over the past decade came from London and the South East and pointing out that the UK's Gross Domestic Product would be £38 billion higher – about 2.5% - had that growth been matched in all regions<sup>4</sup>. Mr Hammond was talking about the way HS2 would help growth in the North. Improvements to rail links to Bristol and further west will deliver the same national benefit of balanced growth.

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<sup>5</sup> See *State of the South West 2011: Economy*, South West Observatory, December 2010 <http://www.swo.org.uk/state-of-the-south-west-2011/economy/> and *Meeting the Productivity Challenge*, University of Bath and University of the West of England, 2005. This study showed that for every 100 minutes of journey time from London, productivity decreases by 6%.

<sup>6</sup> Average speeds in Bristol are slower than in any other UK city: according to a city-speed league table compiled jointly in 2008 by the AA and Trafficmaster average traffic speed was 16.8mph, compared with London's 16.9mph; [www.which.co.uk/news/2008/04/aa-uses-motorbikes-to-beat-traffic-135856.jsp](http://www.which.co.uk/news/2008/04/aa-uses-motorbikes-to-beat-traffic-135856.jsp)

<sup>7</sup> Gross Disposable Household Income (GDHI) records what is available for a household to spend or save once taxes, social contributions, pension contributions and property ownership have been taken into account. See *State of the South West 2011: Economy*, South West Observatory, December 2010 <http://www.swo.org.uk/state-of-the-south-west-2011/economy/>

<sup>8</sup> *ibid*

<sup>9</sup> ORR: <http://www.rail-reg.gov.uk/server/show/nav.1529>

<sup>10</sup> *National Rail Trends: Regional Usage Profiles up to 2009-10*, ORR, 2011. Although regional usage data shows even larger increases for Greater Manchester, Merseyside, the West Midlands, South Yorkshire and West Yorkshire these can be traced back to methodological changes with the inclusion from 2008-9 of estimates of rail usage in PTEs making comparison with previous years hazardous. When this is taken into account the comparative experience of the Bristol travel-to-work area is most notable.

<sup>11</sup> See *London & South East 'top ten' overcrowded train services, Spring and Autumn 2010*, DfT, 11 August, 2011 <http://assets.dft.gov.uk/publications/london-south-east-overcrowded-train-services/overcrowded-trains-south-east.pdf>. This shows that last Autumn First Great Western was the operator of the ten most crowded services arriving at or departing from any London terminus during the morning and afternoon peaks. On some services, more than half the passengers are without a seat. A separate report by the Office of Rail Regulation, and published on the same day, *Peak Crowding and Passenger Demand*, ORR 2011, <http://www.rail-reg.gov.uk/upload/pdf/nrt-pixc.pdf>, records that in 2010 First Great Western services had the highest levels of crowding across both peaks (with 16.6% 'passengers in excess of capacity' (PiXC)), followed by Southern (3.5%) and National Express East Anglia (3.2%). In the morning peak in 2010 the highest level of crowding was seen on services into Paddington (with a PiXC of 18.5%). The data records a consistent deterioration in PiXC: the morning peak PiXC for FGW increased from 8.9% in 2008, through 11.4% in 2009.

<sup>12</sup> *Great Western Route Utilisation Strategy*, Network Rail, March 2010 <http://www.networkrail.co.uk/browse%20documents/rus%20documents/route%20utilisation%20strategies/great%20western/great%20western%20rus.pdf>.

<sup>13</sup> AGM Statement & Interim Management Statement, FirstGroup plc, 15<sup>th</sup> July 2011

<sup>14</sup> On 19<sup>th</sup> August 2011 the Association of Train Operating Companies published patronage data for the ten branch lines in England showing the most growth in the last four years. The figures are: Truro-Falmouth +90.6%; Bristol-Severn Beach +90.3%; Derby-Matlock +86.2%; Arundel-Three Bridges +53.1%; Par-Newquay +52.6%; Exeter-Barnstaple +47%; Paddock Wood-Strood +25.5%; Liskeard-Looe +23.8%; Plymouth-Gunnislake +21.8%; and Oxenholme-Windermere +20%. <http://www.atoc.org/media-centre/latest-press-releases/many-small-rural-lines-see-resurgence-in-popularity-100613>

<sup>15</sup> Private research by Dr Margherita Rendel, drawing principally on 2001 Census data.

<sup>16</sup> *Great Western Route Utilisation Strategy*, 2010 *op. cit.* The Great Western RUS forecast annual growth in demand for the main line HSS of 3.1% in the peak and 3.8% throughout the day and annual growth of 3.2% in the peak for travel to/from Bristol, Exeter and Plymouth, with 2.9% throughout the day. See also the *London & South East Route Utilisation Strategy*, Network Rail, July 2011 which, incredibly, contains even more conservative estimates for growth in passenger demand for peak-hour fast services into Paddington. It

projects a growth rate equivalent to just 2.1% pa compound, whilst identifying a potential daily capacity gap in 2031 during just the morning peak of 5800 seats, following completion of committed schemes (but with no allowance made for additional demand driven by the completion of HS2 etc.).

<sup>17</sup> While the RUS's projections for HSS attempted to take account of the increased demand for travel that the electrification normally stimulates ('the sparks effect') and new HSS trains, those for Bristol, Exeter and Plymouth apparently took no account of demand stimulated by service improvements in the wake of investment.

<sup>18</sup> *Peak Crowding & Passenger Demand, autumn 2010*, Office of Rail Regulation, August 2011. *Op cit*

<sup>19</sup> The standard class Anytime Single fare between Bath Spa and London (107 miles) works out at 74.3 pence per mile (ppm) compared to

- Birmingham International to London (106 miles) at 70ppm,
- Leicester to London (111 miles) at 63.1ppm,
- Grantham to London (106 miles) at 51.9ppm,
- Norwich to London (114 miles) at 48.6ppm.

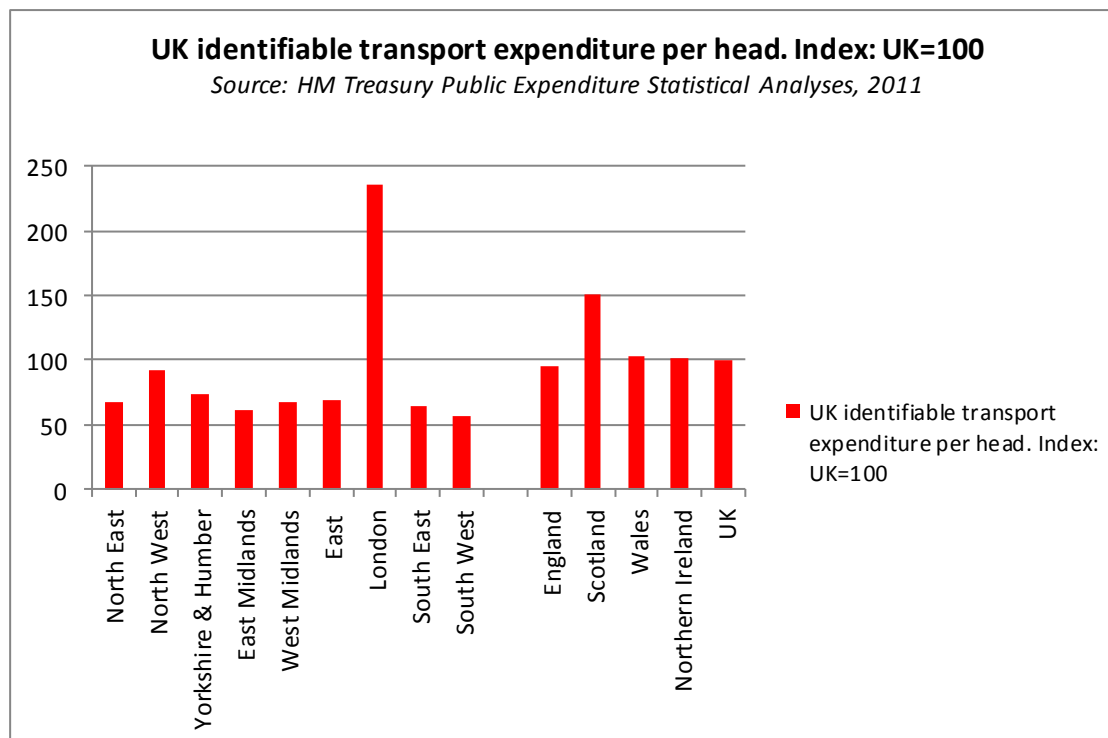
<sup>20</sup> McNulty Report: *Realising the Potential of GB Rail: report of the rail value for money study*, DfT, May 2011

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Principal Greater Western modernisation projects, 2011 (Courtesy Network Rail)

<sup>22</sup> The South West's share is 56% of the average. See *Public Expenditure Statistical Analyses 2011: Country & Regional Analyses*, Table 9.16 and Chapter 9 *Interactive Tables*, HM Treasury, July 2011.



<sup>23</sup> *Road Statistics 2009; Traffic, Speeds & Congestion*, DfT, June 2010

<sup>24</sup> Secretary of State in a statement to the House of Commons, 15<sup>th</sup> March 2011.

<sup>25</sup> See section 3.3.1.2 of the *ICWC Franchise – Draft Invitation to Tender*, DfT May 2011

<sup>26</sup> This was identified as the BCR of a much bigger package of electrification following electrification of the Great Western Main Line, the Midland Main Line and the North Cross-Pennine routes permitting electric services between the South Coast, South West, North West, North East and Scotland and also including Gloucester from the Bromsgrove-Plymouth route, Oxford-Banbury, Reading-Basingstoke and West of England services from London via Bristol Parkway to Weston-super-Mare/Taunton and Paignton to Exeter St Davids. The BCR of electrification of the Berks & Hants route from Newbury to Plymouth has an 'effectively infinite socio-economic BCR'. See *Network RUS: Electrification*, Network Rail, October 2009

<sup>27</sup> Technical Specification for Interoperability, *Persons of Reduced Mobility and The Rail Vehicle Accessibility (Non-Interoperable Rail System) Regulations*, 2010

<sup>28</sup> Porterbrook, the rolling stock leasing company, was widely reported in the railway press (see for example page 80 of *The Railway Magazine*, September 2011, and page 6 of *Railway Herald* issue 276, July 2011) to be considering the future of their class 153 vehicles due to the unfavourable economics of improving single-car units to comply with the RVAR / PRM TSI, raising the question of what will replace them on rural lines.

<sup>29</sup> See Executive Summary (page 3, final paragraph) of the *Network RUS: Passenger Rolling Stock, Draft for Consultation*, Network Rail, May 2011

<sup>30</sup> While it can't be assumed that orders will result in work for British factories, the converse is likely to be true – no orders will ensure that they have no work.

<sup>31</sup> See *Inter-regional connectivity in the South West*, DTZ Pidea for the South West RDA, April 2005

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<sup>32</sup> See *Great Western Mainline Economic Assessment*, Halcrow, 2005

<sup>33</sup> See *Passengers' priorities for improvements in rail services*, MVA for Passenger Focus, 2010

<sup>34</sup> DfT: *Average Age of Rolling Stock*, ORR: National Rail Trends

<sup>35</sup> See *Open Public Services White Paper*, Cabinet Office July 2011

<sup>36</sup> *Reforming Rail Franchising: Government response to consultation and policy statement*, DfT December 2010

<sup>37</sup> *Passenger trains planned, FGW,Q1, 2011*, ORR: National Rail Trends Planning Portal

<sup>38</sup> The 18 additional services stopping at Severn Tunnel Junction recovered since services were cut around 5 years ago is just one example the additional services that FGW operate over and above those to which they are contracted. Commuters and others use these well-patronised service enhancements to travel from Lydney and the Forest of Dean to Bristol, Bath and elsewhere on the Cardiff/Portsmouth Harbour line.

<sup>39</sup> The most realistic date for a fleet size cascade of rolling stock into the South West for local services is 2018 despite the planned completion of electrification of the Great Western Main Line and its branches to Oxford and Newbury in 2016. With the new Thameslink fleet not due into fleet service until 2015 and the first Class 319s that they will be replacing due to be cascaded to the North West, the replacement of Class 165 /166s in the Thames Valley with Class 319s is likely to be in 2017 following refurbishment of the electric fleet which by then will be over thirty years old.

<sup>40</sup> In August 2011 Plymouth City Council accepted the views of three different firms of consultants that there is no economic rationale for keeping Plymouth Airport open. This followed the decision of Sutton Harbour Group, the airport's operator, to close the airport in December 2011.

<sup>41</sup> The Rt Hon Philip Hammond MP. Speech at *Transport Times Conference*, 3<sup>rd</sup> March 2011. *op. cit.*

<sup>42</sup> ITSO is the national standard for ticketing data exchange enabling multi-operator ticketing to be delivered. South West Smart Applications Ltd (SWSAL), a not-for-profit company formed in 2010 and owned by 15 strategic transport authorities and 17 bus operators, has done much to pave the way with DfT support for the South West becoming the first fully smart region for bus travel in England. The Rt Hon Norman Baker MP, Parliamentary Under-Secretary of State for Transport, launched SWSAL in Exeter in October 2010. He described it as his personal vision to see seamless travel on one ticket throughout the country by 2020 and said he was confident that many more passengers would use public transport as seamless ticketing becomes the norm. This timetable, which is clearly relevant to the new franchise, is consistent with the European Commission's plan to establish the framework for a European multimodal transport information, management and payment system by 2020.

<sup>43</sup> *London & South East Route Utilisation Strategy*, Network Rail, July 2011

<sup>44</sup> See Appendix A *Railways Act 2005 Statement* in DfT White Paper, *Delivering a Sustainable Railway*, 2007

<sup>45</sup> As noted elsewhere in the main text, over-crowding occurs throughout the franchise area, including in the far west where demand is obviously accentuated by seasonal tourism. One example is the 0936 Exeter-Penzance which becomes the 1254 Penzance - Newton Abbot. In the summer it is strengthened from a class 150 unit by adding a single class 153 unit. It arrives in Plymouth, on its return leg, at 1451 and feeds the 1500 Plymouth-Paddington. It is usually crush loaded and late, leading to frantic changing (with luggage) onto this 1500 departure. This overcrowding is not restricted to the eastbound direction. For example, on Friday 19<sup>th</sup> August it left Plymouth for Penzance at 1042 with 80+ standees despite the class 150 unit being configured in 3+2 seating. The problem is accentuated by First Great Western's advance purchase ticketing policy: ticket quotas from stations in Cornwall are determined by the seating capacity of the HST from Plymouth rather than that of connecting services. A similar problem arises with the 1644 Friday-only service from Penzance to Taunton, where it arrives at 2021, connecting into the 2026 Friday-only HST to London.



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<sup>46</sup> See, for example, the conclusions of a research report prepared on the basis of extensive passenger research by a joint task force of the relevant statutory Rail Passengers' Committees in 2004, *The Mainline They Shouldn't Ignore*, Rail Passengers' Committee Western England, 2004. This identified over-crowding as a major problem and noted particularly its ability to stunt the commercial potential of the business market that might be better met by inter-regional express services using longer, more suitable rolling stock. Overall passenger numbers have since increased by around 25% to around 5 million journeys a year. Our current consultation with stakeholders along the route identified widespread advocacy of the use of something like the five-car Class 180 (*Adelante*) type trains on the route for express services. It is understood that new electric trains are to be ordered for the Birmingham – Scotland route: there is a case for the cascade by 2013 /4 of the 5 coach Class 221 (*Super Voyager*) type trains so displaced to the CrossCountry franchise and a consequent cascade of the four coach Class 220s (*Voyager*) to the Cardiff – Portsmouth route. The 90mph-capable Class 158 units currently allocated to these services could then be used to strengthen services across the South West. This has the added benefit providing a more appropriate travelling environment for passengers on some of the longer local and regional routes whilst helping to alleviate overcrowding on CrossCountry services.

<sup>47</sup> See, for example, the definition under EU law of Persons of Reduced Mobility given in Directive 2003/24/EC of the European Parliament and of the Council of 14 April 2003 amending Council Directive 98/18/EC

<sup>48</sup> The majority of business travellers work or study during their rail journey and assess this as being very worthwhile – a distinct advantage over car travel. 27% of all travellers claim to use their rail journeys for work or study, something facilitated by the development of mobile communication technologies. See *How do rail travellers use their time? A comparison of National (Rail) Passenger Survey findings between 2004 and 2010*, Lyons, Jain, Susilo & Atkins, Centre for Transport & Society, University of the West of England, Bristol, July 2011

<sup>49</sup> *Reforming Rail Franchising: Government response to consultation and policy statement, op.cit.*

<sup>50</sup> *Draft National Planning Policy Framework, DCLG, July 2011* indicates an intention on the part of Government to revert to the term "Local Plan" in place of "Local Development Framework"

<sup>51</sup> Planning Policy Statement 12: *Local Spatial Planning* says that a Core Strategy should only rely on the provision of critical elements of infrastructure if there is a "reasonable prospect of provision" (paragraph 4.10). With an appropriate developer contribution committed in the planning documents/process there is such a prospect and the ITT should ensure that such developer funded infrastructure is used and thus does not frustrate the provision of a service on that infrastructure.

<sup>52</sup> See paragraph 19 on Core Principles, *Draft National Planning Policy Framework*, DCLG, July 2011

<sup>53</sup> *National Passenger Survey, Spring 2011*, Passenger Focus, June 2011

<sup>54</sup> *ibid*

<sup>55</sup> See in particular Chapter 19 of the detailed version of the McNulty Report: *Realising the Potential of GB Rail: report of the rail value for money study, op. cit.*

<sup>56</sup> The Rt Hon Theresa Villiers MP, Minister of State, DfT in a speech at the Office of Rail Regulation PR13 launch, 18<sup>th</sup> July, 2011.

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