

GATCOM

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THAMESLINK FRANCHISE

REPORT BY SECRETARIAT

SUMMARY

This report informs members of the Government's announcement that the process to let the Thameslink passenger rail franchise is underway and gives details of the services to be included in the franchise area and the companies that have been invited to bid for the franchise.

Passenger Focus, the national consumer body set up to protect the interests of rail passengers, has written to GATCOM as it is interested to hear about local aspirations for the new Thameslink franchise. Passenger Focus has also encouraged GATCOM to engage with the DfT and prospective bidders for the franchise. The GATCOM Steering Group at its meeting on 29 March 2012 agreed a response to Passenger Focus on behalf of GATCOM and is [attached at Appendix 1](#). GATCOM is asked to endorse the Steering Group's suggestion that the aspirations set out in the response be used in future discussions/correspondence with the DfT and prospective franchise bidders.

1. Introduction

1.1 On 19 December, 2011 the DfT gave notice of the process to tender for the new Thameslink Franchise and has sought expressions of interest.

1.2 The Government has stated that one of the key aims of the reforms to the new franchising system is to deliver better outcomes for passengers and better value for money for taxpayers. The DfT's plan to merge the Thameslink franchise with the First Capital Connect, Southern and parts of the South Eastern franchises to create the Thameslink "super franchise" will have implications for all rail services to and from Gatwick and will present a unique opportunity for taking a holistic view to improve the efficiency of rail services in the region.

1.3 A number of key stakeholders, including Gatwick Airport Limited (GAL), are already engaging with the DfT on opportunities that might exist and planning for the significant changes the Thameslink franchise will bring. Passenger Focus, the independent passenger watchdog for the rail industry, is one of the key stakeholders and is interested to hear the local aspirations for the new super franchise to assist in its understanding of the challenges that the specification must address. Passenger Focus has written to GATCOM seeking views and is also urging the Committee to engage with the DfT and prospective bidders for the franchise.

1.4 The GATCOM Steering Group at its meeting on 29 March 2012 agreed on behalf of GATCOM a form of response to Passenger Focus and is attached at Appendix 1. The Steering Group has recommended that the aspirations highlighted in the response be used in future discussions and correspondence with the DfT and prospective franchise bidders.

2. The Thameslink Programme

2.1 Thameslink is a main-line route running north to south through London from Bedford to Brighton, serving both Gatwick Airport and Luton Airport. It also incorporates a suburban loop serving Sutton and Wimbledon. The Thameslink Programme is a major £6 billion Government funded scheme extending the service to a further 100 stations. Running

through central London, it will link major transport hubs including Luton and Gatwick Airports, St Pancras International and London Bridge station.

2.2 The scheme began in October 2007 and is Network Rail's biggest scheme following the successful completion of work to improve the speed and frequency of trains on the West Coast (which links cities like London, Manchester, Birmingham and Glasgow). Together with Crossrail, the redevelopment of Kings Cross and Birmingham New Street stations and improvements to the railway in the north, Thameslink will dramatically increase the number of people who can use the railway. It will provide benefits such as:

- Increasing trains in each direction through central London by up to 300% (peaking at up to 24 per hour)
- Longer trains (12 coaches). An increase from a maximum of 8 at present
- Removing bottlenecks that delay trains, the worst at London Bridge station
- Direct access to more destinations
- Reduced crowding on the London Underground
- A new station at Blackfriars
- An extended station at Farringdon, with new entrances and a smooth interchange to Tube and future Crossrail trains serving places like Heathrow and the City
- A new fleet of trains and signalling and power systems to support them

2.3 Gatwick will gain the following benefits from the improvements:

- New rolling stock with more capacity and longer trains.
- Consistent peak and off-peak service to a transformed London Bridge station.
- Good interchange with Underground and Crossrail services at Farringdon.
- More direct or "one change" access to destinations.

2.4 The programme will also offer an opportunity to recast the timetable across the region to take advantage of the infrastructure improvements through a new Thameslink Franchise.

2.5 The scheme is scheduled for completion in 2018.

2.6 Network Rail is responsible for developing the timetable for the complete Thameslink service in 2018 and there will be further consultation with stakeholders before the timetable structure is finalised.

3. Thameslink Franchise

3.1 The new Thameslink Franchise will include:

- all services that are currently operated by the First Capital Connect franchise from September 2013
- at a point between April and December 2014 some services currently operated by Southeastern railway
- at a point between July 2014 and July 2017 all the services operated by the current Southern franchise.

3.2 The DfT is seeking to appoint an appropriately experienced and qualified transport operator to operate the Thameslink franchise. Expressions of interest have been sought and the Government announced on 29 March the companies that have been chosen to bid for the franchise following the pre-qualification process. The companies are:

- Abellio Thameslink Limited (NV Nederlandse Spoorwegen)
- First Thameslink Limited (FirstGroup plc)
- Govia Thameslink Railway Limited (Go-Ahead Group plc and Keolis SA)
- MTR Corporation (Thameslink) Limited (MTR Corporation Limited)
- Stagecoach Thameslink Trains Limited (Stagecoach Group plc)

3.3 These potential providers will receive the Invitation to Tender which the Government anticipates issuing in October 2012 with the successful bidder being announced in May 2013. The franchise will commence in September 2013. The Government has stated that the length of the franchise will be a minimum of 7 years, with pricing also required for a potential extension of up to 2 years at the discretion of the Secretary of State.

3.4 The objectives for the franchise are as follows:

- The franchisee will take a leading role in enabling the successful delivery of the Thameslink programme, and will work collaboratively with the DfT and other industry partners to ensure that the envisaged programme benefits are fully realised on time. This will include but not be limited to: the introduction into service of new trains and depots; managing the return of displaced stock to the owning ROSCO; proactively supporting the integration of operations and new infrastructure and train control systems to deliver an enhanced train service;
- The franchise will be required to have an effective change management organisation for: the Thameslink programme, implementation of any rail value for money study recommendations and any other industry initiatives that may be required to enable the successful delivery of the franchise;
- The franchise operator will be required to support the creation of the future long-term Thameslink franchise that will operate when the Government's investment in the Thameslink programme has been delivered;
- Ensure the overall passenger experience improves throughout the life of the franchise. This will include but not be limited to improvements in: service quality; retailing; provision of information to customers particularly during times of planned and unplanned disruption; implementing 'smart' technology and integrated ticketing throughout the franchise area on an interoperable basis; improving accessibility (including disabled access) and access to all stations and services; passenger security and improving the transparency of information about the franchise;
- Ensure that train services perform to the highest practical reliability and punctuality standards and continue to be amongst the most reliable and punctual services on the national network. Benchmark and optimise the overall environmental performance and minimise the carbon footprint for the franchise;
- Deliver services in the most cost-effective and efficient manner possible and, where appropriate, consider improving alignment and better collaboration between Network Rail and other relevant industry partners.

3.5 A separate consultation will be undertaken by the DfT on the specification for the franchise at a later date. It is suggested that GATCOM engages with that consultation to ensure that its aspirations are taken into account prior to the award of the franchise.

4. Gatwick Airport Rail Surface Access Study

4.1 Gatwick Airport Limited (GAL) commissioned rail consultant's, ARUP, to undertake a study on future rail links to and from Gatwick. GAL has presented the results of the study to a range of key stakeholders and interest groups on 16 and 19 March. GAL will provide more details about the study at the GATCOM meeting. The study results will provide a basis for developing a strategy for rail within the new Gatwick Surface Access Strategy currently being developed (also to be reported at the meeting). The Study Report aims to stimulate discussion and lead to further analysis in a timely way to influence the tender requirements for the new Thameslink franchise and future rail investment plans, as well as engage stakeholders on the need for forward planning to support the rail surface access strategy.

4.2 One of the key conclusions of the study is that there are possible solutions that will accommodate future growth in rail commuting and air travel and will secure wider benefits to all rail users. In particular, it found that the programme for the new Thameslink franchise

offers a unique opportunity for Gatwick and the wider region to take advantage of investment in rail infrastructure and services in order to harness future economic growth.

5. Rail Reform Command Paper

5.1 Members should also be aware that the Government published on 8 March 2012 its Rail Reform Command Paper "Reforming our Railways: Putting the Customer First". The Command Paper sets out the Government's vision for the railways, alongside the policies that are needed to realise that vision, focusing on the period up to 2019, but also looking beyond that.

5.2 It is welcome to note that the Government has included consideration of airports and international gateways in the vision and this is specifically recognised in one of its six key market segments " international passenger journeys, including via the Channel Tunnel and providing surface access to major airports". The document also states that "the longer term strategy improve rail services by enhancing the connectivity and capacity of our national rail network, particularly for the journeys that matter most for economic growth – i.e. major inter-city, commuter and freight flows; and links to international gateways".

5.3 Paragraph 3.19 of the document also states:

"3.19 High speed rail services to Europe via HS1 and the Channel Tunnel directly meet international business and leisure travel demand. The first phase of HS2 will include a connection with HS1 to allow through running of international services. Rail also plays an increasingly important role in providing sustainable surface access for passengers using our major airports. We will continue to work with airport operators and local authorities to develop options for enhancing rail access to major airports. The Government also supports a direct high speed link to our international hub airport, Heathrow, to promote modal shift to rail and to make Heathrow more accessible to the Midlands and the North."

6. Suggested GATCOM approach

6.1 The process for inviting prospective bidders to tender for the new franchise is in its early stages. The rail study commissioned by GAL has provided a robust evidence base to highlight that there are opportunities to be explored to unlock capacity on the Brighton Main Line to accommodate future growth in rail commuting and air travel which has wider benefits for all rail users.

6.2 The approach by Passenger Focus has been timely and has alerted GATCOM to the need to engage early with the DfT and prospective bidders to set out local aspirations for the parties to consider. The response to Passenger Focus, agreed by the Steering Group, took into account GATCOM's previous views on the reform of the Government's rail franchising policy, the recommendations of the London and South East RUS (as well as the Sussex and Kent RUSs) and the views expressed in the dialogue the committee has had with Southern Railways, the current operator of the Southern franchise.

6.3 The Steering Group has recommended that the aspirations highlighted in the response also be used in any further engagement with the DfT and prospective bidders.

RECOMMENDED

- (1) That the form of response be used in any future correspondence with the DfT and prospective bidders to highlight GATCOM's aspirations for the new Thameslink franchise; and
- (2) That GATCOM considers and responds to the DfT's consultation on the specification for the franchise when it is issued later this year.