

Strategic Transport Forum 22nd June 2018

Agenda Item 5a: East Midlands Franchise

Recommendation: It is recommended that the Forum agree the strategic issues set out in this paper as being the key issues to pursue with bidders for the East Midlands franchise.

1. Context

- 1.1. The East Midlands franchise is a key franchise for the Heartland area. The Forum's agreed position regarding the franchise was set out in its response to the consultation undertaken in autumn 2017 (Annex 1).
- 1.2. On the 7th June the Department for Transport published the Invitation to Tender for the new franchise. ([East Midlands Franchise ITT](#))

2. Engagement with Bidders

- 2.1. During this period in the franchising process there is the opportunity to engage with the bidders to ensure that they take into the Forum's strategic priorities.
- 2.2. It is proposed that the basis for that engagement is the Forum's agreed position in relation to the franchise, but in doing so emphasising the following issues:

- a) **National Significance** – the East Midlands franchise is a key franchise for the Heartland area, an area that has been identified by the Government as being critical to the long term future of the UK economy. Realising the economic opportunity identified by the National Infrastructure Commission requires investment in infrastructure and services. More specifically it will require both an acceleration in that investment and additional investment over and above that previously planned.

During the lifetime of the next franchise the Government is committed to delivering the next stage of the East West Rail project: this will serve to reinforce the strategic importance of rail infrastructure and services at key hubs – specifically Bedford and Luton Airport Parkway.

The Government's ambition in terms of the scale and pace of growth across the Heartland must be reflected in the proposals put forward by bidders for the East Midlands franchise.

- b) **Improved Connectivity** - the National Infrastructure Commission in its report to the Treasury highlighted the critical importance of improved connectivity to enabling the economic potential of the Heartland being realised.

Recent alterations to the timetable on the Midland Main Line have pervesely seen a reduction in the overall level of connectivity in order to accommodate the new Thameslink service. This has reduced connectivity to/from strategic hubs –

such as Bedford – particularly to/from the northern parts of the Heartland area. Such a reduction in connectivity is inconsistent with the Government's stated aim of realising the economic potential of the Heartland: it is also inconsistent with the Government's stated objective of addressing the regional imbalance in the economy.

The Forum expects bidders to address the reduction in overall levels of connectivity as part of their proposals.

- c) **Journey Times** – recent changes to the timetable on the Midland Main Line have led to an increase in journey times for some sectors of the market. Competitive journey times are a key consideration in ensuring that investment opportunities – such as Bedford – are attractive to commercial investors and residents.

The Forum expects bidders to ensure that their proposals include competitive journey times on core routes serving strategic hubs.

- d) **Train Quality** – a concern expressed by the Forum previously has been to ensure that the rolling stock put forward by bidders offers a level of passenger comfort and service offers an experience that is consistent with 'inter-city' standard services

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June 2018

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Tuesday 10th October 2017

Dear Sir,

EAST MIDLANDS RAIL FRANCHISE - CONSULTATION RESPONSE

England's Economic Heartland Strategic Transport Forum is the emerging Sub-national Transport Body for the area that stretches from Oxfordshire through Milton Keynes across to Cambridge and from Northamptonshire to Luton.

The Forum is deeply concerned at the content of the consultation on the next East Midlands rail franchise. The information set out in the consultation document lacks detail and the questions posed by the document highly selective. As a consequence it is difficult for the Forum to fully understand the nature of the proposals. However, it is clear that the proposals will have an unacceptable impact on passengers using services in the Heartland.

The area is a focus for long term growth. Realising its economic potential has been identified as a priority for the UK economy by the National Infrastructure Commission. It is therefore essential that the franchise proposals are reviewed as a matter of urgency to better reflect the needs both of existing passengers and support planned growth.

Whilst the Forum appreciates the timescales associated with the letting of a new rail passenger franchise, the work of the National Infrastructure Commission and the consequences for the Heartland area are a material change.

The Forum looks forward to working closer with the Department in developing a revised proposal for this franchise.

Yours sincerely,



Cllr Heather Smith
Chairman, Strategic Transport Forum
Leader Northamptonshire County Council

EAST MIDLANDS RAIL FRANCHISE CONSULTATION RESPONSE

England's Economic Heartland Strategic Transport Forum is responding to the East Midlands Rail Franchise consultation based on information that is currently known within the published consultation documents.

The information available however lacks detail and clarity, making it difficult to produce a fully informed view. In order for a more informed and accurate response to be provided, England's Economic Heartland is of the view that a second round of consultation must be undertaken which should include greater detail.

Summary of Key Issues

- Improved connectivity between major urban hubs across the Heartland area is a strategic priority, as is improved connectivity into adjoining regions, both London and Midlands Connect.
- England's Economic Heartland is deeply concerned at the proposed reduced level of service (in terms of frequency and journey times) to/from Bedford, Luton and Wellingborough put forward as part of the consultation, which is inconsistent with the area being a focus for planned growth.
- The National Infrastructure Commission's Interim Report identified the scale of the Heartland's economic opportunity, the importance of its economy to the future success of the UK economy and the extent to which improved connectivity is critical to enabling that opportunity being realised. Growth on the scale identified by the Commission is truly transformational and brings with it unprecedented challenges in terms of accommodating economic and housing growth.

There is an urgent need to work with England's Economic Heartland to review and amend the basis of the franchise proposals to take account of this Government endorsed agenda.

- England's Economic Heartland is seeking a minimum of 4 trains per hour calling at Luton Airport Parkway providing services to both London, as well as Bedford and key stations to the north.
- The proposal as set out will significantly impact on journeys from towns within the Heartland to destinations north of Wellingborough by introducing a requirement for interchange at Kettering. The franchise proposals must be revisited with a view to removing the need for passengers to change trains if travelling to destinations north of Wellingborough.

If, having explored all possible options, it can be demonstrated that the introduction of an interchange at Kettering is the only solution it must be a requirement of the franchise to provide attractive, timely and reliable onward connections at Kettering. This is necessary to retain rail as a viable mode of travel for current users of these services and avoid inadvertently encouraging the transfer of trips to the highway

network. Prospective franchisees should be required to actively seek opportunities to improve the level of service provided at Kettering, both in terms of connectivity southbound and northbound.

- In preparing the franchise specification for the next East Midlands franchise the Department must consider how the delivery of East West Rail, and in particular opportunities arising in the Bedford area and the wider central section, need to be reflected in the next franchise. It should also be a requirement to consider how opportunities for improved connectivity east of Cambridge - identified as part of work on the 'Eastern Section' - might be incorporated.
- The proposal to transfer the Birmingham-Leicester-Standed services to the East Midlands franchise is supported in principle.
- If the proposal to transfer the western section of the Liverpool to Norwich service to the Trans-Pennine franchise is pursued there should be a requirement placed on the operators of the East Midlands and Trans-Pennine franchises to maintain an attractive interchange between services, with that being provided at either Nottingham and/or Sheffield.
- Luton Airport Parkway and Bedford are key interchange points on the wider transport system, a function that should be explicitly identified in the East Midlands franchise.
- There should be a requirement on the new franchisee to work pro-actively with the relevant Local Transport Authorities and local bus operators to deliver the seamless journey experience for public transport users, taking advantage of the provisions within the Bus Services Act 2017 where it helps to achieve this strategic outcome.
- In addition to improved connectivity, the franchise should be required to improve the supporting infrastructure at the rail stations to enable access, improve the customer experience and encourage use (such as ticketing, disabled access, and quality of facilities provided).
- The decision to drop the electrification of the Midland Main Line north of Kettering is extremely disappointing.
- There should be a requirement on the new franchisee to be work pro-actively with the Department for Transport and the emerging Sub-national Transport Body to identify opportunities for new or amended services during the lifetime of the next franchise and to identify changes in the specification that might be required for future franchises.

England's Economic Heartland Strategic Alliance

1. England's Economic Heartland Strategic Alliance established the Strategic Transport Forum in February 2016. Membership of the Strategic Alliance covers the area from Oxfordshire, through Milton Keynes and across to Cambridgeshire, and from Northamptonshire across to Luton.
2. The Strategic Transport Forum is the focus for a single conversation on strategic transport issues across the Heartland and maintains the overview of strategic

investment priorities. The Forum is the emerging Sub-national Transport Body (STB) for the Heartland area, and works closely with the Department for Transport and Network Rail, both of whom are members of the Forum.

3. The Department for Transport's recently published Transport Investment Strategy emphasises the importance of STBs in providing local partners with the opportunity to shape future strategic investment priorities. In parallel to developing an STB proposal, a Transport Strategy is being prepared that will outline the strategic infrastructure and service improvements necessary to enable economic growth.

Strategic Context

4. The National Infrastructure Commission's (NIC) Interim Report of November 2016 identified the economic potential of the Heartland area as being of national significance to the long term future of the UK economy. The Interim Report identified the value of the Heartland economy (currently £92.5bn per annum) increasing by between £85bn and £163bn over the next 30 years.
5. The Commission in their Interim Report identified improved connectivity as being one of two critical issues that needs to be addressed in order to realise that opportunity.
6. The Government endorsed the Commission's view in the 2016 Autumn Statement, in which it identified additional funding specifically targeted at enabling work on two critical infrastructure investments – East West Rail and the 'expressway' – to be taken forward to the next stage. Delivery of these schemes is seen by Government and the Strategic Alliance as a 'once-in-a-generation' opportunity to create a multi-modal spine across the Heartland.
7. Economic opportunity on this scale is truly transformational in nature. Delivery of the multi-modal spine across the Heartland area will have wider implications for both housing and economic geographies that will need to be reflected in future passenger rail franchising requirements, including the East Midlands franchise.
8. The Strategic Transport Forum is extremely concerned that the current framework for the new East Midlands franchise fails to adequately take account of the context provided by the Commission's Interim Report. It also fails to take into account the Government's commitment to ensure that investment in infrastructure and services provides improved levels of connectivity as a means of enabling the Heartland's economic potential to be realised.
9. As a consequence there is an urgent need to work with England's Economic Heartland to review and amend the basis of the franchise proposals to take account of this Government endorsed agenda.

International Gateway Connectivity – Midland Main Line

10. Luton Airport is an integral component of the wider London airport system. It's ability to accommodate new short/medium haul routes has led to significant growth in passenger numbers. Investment has recently been made in land-side and air-side infrastructure at the Airport as part of approved proposals to increase passenger

throughput at the airport to 18 million passengers per annum (mppa). Passenger throughput at the airport is currently 15mppa, but is growing to the extent that it will reach this 18mppa capacity by 2020. A key element of the surface access strategy is a modal shift from cars to train.

11. In addition, Luton Airport is one of the top three hubs in Europe for business aviation services. Immediately adjacent to the airport is the Luton Airport Enterprise Zone. Construction of the Direct Air to Rail Transit will provide a step change in connectivity between the Airport (including the Enterprise Zone) and Luton Airport Parkway.
12. Passenger data demonstrates the importance of rail access for people accessing the Airport. It also highlights the extent to which travellers use rail to access stations to the north, as well as the traditional London market.
13. In terms of the East Midlands franchise the Strategic Transport Forum is therefore seeking a minimum of 4 trains per hour calling at Luton Airport Parkway providing services to both London, as well as Bedford and key stations to the north.
14. Improved connectivity between major urban hubs across the Heartland area is a strategic priority, as is improved connectivity into adjoining regions, both London and Midlands Connect. Improved connectivity means that current journey times and frequencies should be viewed as an absolute minimum. Realising the economic potential of the Heartland (as identified by the National Infrastructure Commission) will see both economic and housing growth on a scale not reflected in the franchising proposals. Improved connectivity across the Heartland (and not just to/from London) will be an enabler of growth. The franchise proposals must be revisited with a view to ensure that they better reflect both the pressures and the ambition that exist across the Heartland
15. Central Bedfordshire, for example, is facing growth of an estimated 7,000 new homes in the coming years, with at least a further 9,000 homes that could come forward in the emerging Local Plan. All of these growth sites fall within the catchment of the franchise, reinforcing the need for the franchise proposals to be revisited as a matter of urgency to enable them to better reflect the planning context. Such considerations might encourage further consideration of the potential for Flitwick Station to support further growth. As a consequence consideration should be given to how improved levels of service might be provided as part of the Corby-Bedford-Luton service.
16. The reduced level of service to/from Luton, Bedford and Wellingborough proposed as part of the consultation is therefore deeply concerning and inconsistent with the expectation of other parts of Government that these locations should accommodate significant growth. The proposed service patterns indicate that these stations will become perceived solely as a commuter station rather than as an 'intercity' destination.
17. It is entirely unclear from the consultation document, due to a lack of information, as to what the proposed approach that is referred to actually is, and what journey times from respective stations in the Heartland area to London would be. Through the public consultation events it appears that the current franchise proposals would see journey times increasing, with research suggesting that bi-mode trains, as proposed in the

Department's consultation document, are less efficient in terms of acceleration/deceleration than electric trains. This could lead to degradation in journey time, which is inconsistent with the Government's stated aim of improving the customer experience. In this context we would urge Government to fund upgrading the overhead line electrification south of Bedford.

18. If there is no through service, passengers from Luton, Bedford or Wellingborough to destinations north of Kettering (e.g. Leicester or Nottingham) will have to change at Kettering. This is not acceptable considering the significant proposed growth in the Heartland area and subsequent increase in demand that will occur.
19. This is also inconsistent with the role of Bedford as a hub for interchange both with Thameslink services and in future, services on East-West Rail. Passengers from either service intending to travel northwards on the Midland Main Line would be required to change twice – at Bedford and Kettering – in quick succession.
20. Introducing a requirement for interchange at Kettering will significantly disadvantage existing rail users as well as acting against the Heartland's (and Government's) ambition to improve connectivity as a means of rebalancing the UK. Evidence from the public consultation events clearly demonstrates the extent to which connections northwards are an important part of the existing transport system. Moreover, it will impact on the Heartland's ability to attract labour and thus will impact on economic growth. The current level of service (frequency and timings) provided by East Midlands Trains should be viewed as the minimum required of the next franchise.
21. However, if the through services are to be removed, the importance of attractive, timely and reliable onward connections at Kettering becomes critical to retaining rail market share for these journeys and limiting transfer of trips to the highway network. In that instance, we would expect it to be a requirement to provide connections with longer distance services to be made at Kettering by all St Pancras – Corby services.

Inter-Urban Connectivity

22. The National Infrastructure Commission's Interim Report emphasised the importance of improved connectivity, particularly east-west. Delivery of the East West Rail improvement – a priority for the Department for Transport – will provide a step-change in connectivity not just between Oxford and Cambridge, but beyond.
23. Work undertaken by the East West Rail Consortium in partnership with the Department for Transport has identified the added value that the East West Rail infrastructure potentially provides for a wider range of inter-urban/cross-country services. Most recently a study of connectivity eastwards of Cambridge (the Eastern Section) has resulted in a Conditional Output Statement being submitted to the Department for Transport who are now considering the opportunities to realise some of the added value at the earliest opportunity.
24. In preparing the specification for the next East Midlands franchise the Department should carefully consider how the opportunities created by the construction of East West Rail should be incorporated into this franchise. With Bedford a key hub on the East

West Rail corridor, it is important that the franchise requires further consideration of the need for improved interchange.

25. The proposal to transfer the Birmingham-Leicester-Standed services to the East Midlands franchise is supported in principle. The proposal to transfer the western section of the Liverpool to Norwich service to the Trans-Pennine franchise would represent a reduction in service quality for longer-distance passengers. If pursued through the franchise specification there should be a requirement placed on the operators of the East Midlands and Trans-Pennine franchises to maintain an attractive interchange between their services, with that being provided at either Nottingham and/or Sheffield.

Passenger Interchange

26. It is likely that a key objective of the emerging Transport Strategy for the Heartland will be the delivery of improvements that enable passengers to make a seamless journey.
27. Luton Airport Parkway and Bedford are key interchange hubs on the wider transport system, a function that should be explicitly identified in the East Midlands franchise.
28. As part of the franchise specification there should be a requirement on the new franchisee to work pro-actively with the relevant Local Transport Authority and local bus operators in order to deliver the seamless journey experience for public transport users, taking advantage of the provisions within the Bus Services Act 2017 where it helps to achieve this strategic outcome.
29. The potential economic benefit of services to/from London running with increased capacity is welcome. However any investment in new rolling stock must result in an improved passenger experience, in terms of journey times, frequencies and passenger comfort. It should also be a requirement of the new franchise that there is investment made in the stations and supporting infrastructure (ticket machines, disabled access, length of platforms etc.): the current level of service is not at a satisfactory level.
30. In order to improve the passenger experience it should be a requirement of the new franchise that free access to Wi-Fi is provided by the franchisee, both at stations and on-board services.

Other Strategic Issues

31. The decision to drop the electrification of the Midland Main Line north of Kettering is extremely disappointing. The continued reliance on diesel power for services north of Kettering represents a missed opportunity in terms of reducing the environmental impact of rail services. In addition the use of bi-modes, with their higher weight, is likely to result in increased maintenance and renewal costs in the medium/long term. Experience suggests that in the UK the stop-start nature of electrification programmes means that each new project has to go through a similar learning curve, meaning that opportunities to embed experience learnt (with all the benefits that brings in terms of efficiencies and savings) are much reduced.

32. The delivery of East West Rail infrastructure will have a transformational impact on existing travel patterns, as well as stimulating new travel patterns. There should be a requirement on the new franchisee to be work pro-actively with the Department for Transport and England's Economic Heartland as the emerging Sub-national Transport Body to identify opportunities for new or amended services during the lifetime of the next franchise and to identify changes in the specification that might be required for future franchises.
33. The proposal for a commitment to explore improvements across the area that will improve connections with other rail operators is welcomed. The East Coast Main Line is named as a specific route that will be considered; however it is essential that interaction with Thameslink is included as a priority for this work.

On-going Engagement

34. The Strategic Transport Forum, as the emerging Sub-national Transport Body, looks forward to achieving a higher level of engagement with the Department for Transport in the development of the franchise specification

October 2017