Purpose:

To provide Members with an update on the latest rail and aviation information.

Recommendations:

- To note the report.

1. Introduction

1.1 This paper provides a summary of the following rail issues:

2. Future rail investment

2.1 The Secretary of State publishes High Level Output Specifications (HLOS) and Statements of Funds Available (SOFA) covering 5 year Control Periods (CP). The current control period (CP4) covers 1 April 2009 to 31 March 2014. The next HLOS and SOFA was published in July 2012 covering CP5 (1 April 2014 to 31 March 2019). This specifies public expenditure to be devoted to rail and what the Government requires the railway to deliver over the five year period.

2.2 Timetable for CP5 programme development:

- 30 September 2011 – Network Rail published its Initial Industry Plan.
- 16 July 2012 – Secretary of State for Transport published the High Level Output Specification and Statement of Funds Available.
- 05 September 2013 – Consultation on the Draft Determination closes.
- 31 October 2013 – ORR publish their Final Determination.
- By 31 March 2014 – Network Rail publishes the CP5 Delivery Plan.

3. West Coast Main Line

3.1 On 3rd October Transport Secretary Patrick McLoughlin announced that the competition to run trains on the West Coast Main Line has been cancelled following the discovery of significant technical flaws in the way the franchise process was conducted. The decision means that the Department for Transport (DfT) will no longer be awarding a franchise contract to run the West Coast service when the current franchise expires on December 9.

4. Franchise Update
4.1 Since the announcement to cancel the West Coast Main Line franchising process, the Government has paused all the other outstanding franchise competitions (Great Western, Essex Thameside and Thameslink) pending two independent reviews: one in respect of West Coast itself; the second in respect of franchising in general. The West Coast review is due to report at the end of October and the general review is due to report at the end of December. It is not currently known how the overall franchising programme will be affected as a result. The Essex Thameside Franchise was due to commence in May 2013 and the Greater Anglia long term franchise was due to commence in July 2014.

4.2 The **East Midlands** franchise serving St Pancras and cross country services from Norwich has been operated by East Midlands Trains (part of the Stagecoach Group) since November 2007. This is likely to be renewed in 2015, assuming the operator is awarded the franchise extension.

4.3 **London Midland** (a subsidiary of Govia) has operated the West Midlands franchise with local services from Bedford and St Albans since 11 November 2007.

4.4 **CrossCountry** (Arriva UK Trains) has operated services from Stansted Airport to the Midlands since November 2007.

5. **DfT Consultation Response on Thameslink re-franchise**

5.1 On 31st May 2012, the Department for Transport published a draft specification for the combined Thameslink, Great Northern and Southern train operating franchises; a plan of these networks together with anticipated frequencies is shown in Figure 1. The franchise is for seven years, with a possible extension for a further two years. A number of County, Unitary and District Councils in the East of England responded to the consultation, which closed on 23th August 2012. The following is a generic list of the comments made:

- Need to improve train services and station facilities.
- Improve operators coordination with local highway authorities in relation to access to station facilities and onward travel in the local area.
- The specification needs to build in some flexibility to respond to continuing economic, housing and business growth through a range of solutions including the provision of additional stations (whether new or re-opened), extra station facilities, improved service frequencies and rolling stock, greater staffing levels, track capacity enhancements and so on.
- The current service levels provided by existing franchises should be used as the base-line for the new franchise timetable. There should be no reduction in overall service levels allowed through this process to ensure no rail passenger travel movements are disadvantaged.
- Maximise use of spare capacity on existing rail network. For example, initial work undertaken to link Luton to the western section of East West Rail identifies, based on current timetables, three paths per hour each way between Stewartby and Luton on the slow lines.
- The DfT should consider whether faster Great Northern train services could be transferred to the East Coast Main Line franchise.
• Importance of serving airports by rail, but this should not be at the expense of services to stations in central area of towns.

• Greater London is an important destination for travel to work for people living in the area. Maximising the number of destinations served in London, including interchange with other services at key sites (West Hampstead, central London stations, and stations in south London) maximizes the opportunity for these people to travel by rail instead of using the private car.

• Based on the results of the latest Passenger Survey, satisfaction levels on the existing Thameslink route are worse than others in comparison. The aspects of passenger satisfaction that are of particular concern are the upkeep and repair of the train fleet and stations, and how well the train company deals with delays, including communication with passengers during periods of disruption. A key objective of the franchise holder, in partnership with Network Rail, should be to improve satisfaction levels.

• Provision of accurate information at real time and staff presence at stations.

• Every station should have to produce a station travel plan in order to assess how passengers access and egress the station.

• Possibility of integration with smartcard ticketing being introduced on local bus services, in particular using smartcards for local integrated ticketing.

• Improving communication with passengers during periods of disruption

5.2 The DfT will use comments received to amend the specification that will accompany the Tender documents. The timetable for the procurement of this combined franchise is:

- October 2012 - DfT issues Invitation to Tender to the five shortlisted bidders
- May 2013 - Franchise awarded to Preferred Bidder
- September 2013 - Franchise commences operation

5.3 However, following the Government announcement last week about the West Coast Main Line franchise, it is expected that the all other franchises currently out to tender will be subject to delays.

6. Update on East West Rail

6.1 In Autumn 2011 the East West Rail Consortium published a prospectus setting out the case for including the Western section of East West Rail (between Oxford/Reading and the Midland Main Line at Bedford) in Network Rail’s Infrastructure programme for Control Period 5 (2014-19). The scheme is specifically identified to be delivered in the DfT’s High Level Output Specification (HLOS) covering this period. The Western section is identified as a key part of the Government’s ‘Electric Spine’ with “High Cube” clearance for freight, between the Midlands and Southampton. Network Rail is currently working with the Western section Project Board and the Department for Transport to specify in more detail the planned works to be delivered as part of the Western Section project.

6.2 The HLOS also referred to other links to this spine, and in this respect Luton has carried out some initial work about improving east-west rail connectivity to Luton and its airport. This work proposed new rail chords in the vicinity of Stewartby and Bletchley, linking the Marston Vale Line respectively to the Midland Main Line and
West Coast Main Line. These new chords are not currently part of the East West Rail Western section project.

6.3 Alex Plant from Cambridgeshire has recently taken over the chairmanship of the Consortium and Graham Hughes is chairing the Steering Group for the Central section of East West Rail. A meeting of this Steering Group on 3rd October considered the further work that was necessary to progress the section of East West Rail between the Midland Main Line and the East Coast Main Line, continuing onto Cambridge. This group agreed the scope of the further work to be done, which should be completed by early next summer and be sufficient to allow a decision to be taken about route options. Initial alignment and costings are to be scoped for two other alternatives recently identified in addition to those two options that emerged from previous studies in 2009-10. Further work will then be undertaken in developing a Business Case for this section; procurement of consultants to undertake this work will be led by Cambridgeshire, and it is anticipated that this study will be completed in June 2013.

7. Airport Updates

7.1 London Southend Airport
London Southend Airport’s extended runway opened March 2012. Aer Lingus have a five year contract with Southend Airport and will transport 200,000 passengers annually. Easy Jet have a ten year partnership and during 2012 will transport 800,000 passengers. The new Southend Airport Hotel was opened at the beginning of October 2012. Planning permission has been granted for terminal expansion for up to 2m ppa.

7.2 London Luton Airport
Early in 2012, both London Luton Airport Limited (the airport owner) and London Luton Airport Operations Limited (the airport operator) undertook consultation on their aspirations to develop London Luton Airport prior to formally submitting a Planning Application. The two organisations subsequently agreed to co-operate in preparing a single Application, which is expected will be submitted to the Council, as Planning Authority, in November 2012. The application is based on expanding passenger throughput at the airport to 18 million passengers per annum (mppa) by 2031, from the current level of about 10 mppa in 2011.

7.3 Norwich City Airport
Norwich Airport has recently announced plans for circa 80,000sq m of aviation-related business park. The catalyst for the project is a 15,000 sq m pre-let to Air Livery for an aircraft painting facility which will accommodate planned expansion at the airport and provide 120 jobs.

The park will be developed on 100 acres of land currently owned by Norwich City and Norfolk County Councils, to the north east of the main runway and sits inside the operational boundary of the airport.

7.4 London Stansted Airport

BAA has decided not to appeal to the Supreme Court after considering the Court of Appeal's recent ruling and is now proceeding with the sale of Stansted Airport. The sale of Stansted will leave BAA with four airports: Heathrow; Southampton; Aberdeen; and Glasgow.
8. **Aviation Consultations**

8.1 The Department published the Draft Aviation Policy Framework in July 2012, consultation responses are due by 31st October 2012.

8.2 The Government’s primary objective is to achieve long-term economic growth and has stated that the aviation sector is a major contributor to the economy. Government supports its growth within a framework which maintains a balance between the benefits of aviation and its costs, particularly climate change and noise.

8.3 The two core principles in the document are:

- **Collaboration:** By working together with industry, regulators, experts, local communities and others at all levels – international, national and local – it will be better able to identify workable solutions to challenges and share the benefits of aviation in a fairer way than in the past.

- **Transparency:** To facilitate improved collaboration, it is crucial to have clear and independent information and processes in place – those involved in and affected by aviation need to have a clearer understanding of the facts and the confidence that proportionate action will be taken at the international, national or local level.

9. **Update on Felixstowe to Nuneaton**

9.1 Work is continuing to deliver Ipswich double track chord in Control period 4 (by end of March 2014). On 5th September Network Rail received approval from the Secretary of State for Transport. The chord will allow freight services to travel between the Port of Felixstowe and the north via the cross country route without having to reverse in Ipswich Yard.

9.2 In its recent HLOS the Government has confirmed a £200m investment in the Strategic Freight Network for 2014-2019, part of which the rail industry plans to use on further improvements along the Felixstowe to Nuneaton route. This includes the doubling of the track between Ely and Soham, which was announced in the Chancellor's 2011 Autumn Statement. Other proposals that are currently being developed include further enhancements around Ely and on the Felixstowe Branch.