

**CHAIR'S REPORT TO THE TRAVELWATCH SOUTHWEST GENERAL MEETING,**  
**TAUNTON, 3<sup>rd</sup> MARCH 2012**

- 1. The Greater Western Franchise:** The planned replacement of the Great Western franchise has been the principal focus of the company's activity since the last General meeting at the beginning of October. The Government plans to issue a detailed Invitation to Tender during May to a short-list drawn from companies who have pre-qualified to bid following the publication of a notice in the Official Journal of the European Union last December. Unconfirmed reports suggest that five companies have decided to compete:
- Arriva, which is a wholly owned subsidiary of Deutsche Bahn,
  - FirstGroup, the current franchisee,
  - National Express, led by the architect of FirstGroup's successful bid for the current franchise in 2005, Dean Finch
  - Stagecoach, and
  - RENFE, the incumbent Spanish state railway undertaking.

The directors of TravelWatch SouthWest took the view last summer that it would be in everybody's interest if we took the initiative to establish broad agreement on some coherent priorities to influence the specification for the new franchise. We therefore convened an early meeting in July 2011 with local transport authorities, LEPs, business organisations and users' groups. This led us to issue our report on specifying the new Greater Western Franchise: *Greater Western or Lesser Western?* The purpose of this document was to influence the Department for Transport's work in specifying the new franchise and to provide a strategic narrative context within which each participating organisation might frame its particular concerns.

*Greater Western or Lesser Western?* appears to have had significant influence on the DfT's thinking. A number of the ideas advanced by TravelWatch SouthWest have been reflected in the DfT's consultation document on the franchise replacement, which appeared just before Christmas and which acknowledged our work, making the company a formal consultee. The consultation's publication was immediately preceded by a House of Commons' debate initiated by Sarah Newton, MP for Falmouth, our work featured extensively in the speeches of several MPs. Prior to the debate Ray Bentley and I had been invited to the Commons by Alison Seabeck, MP for Plymouth Moor View, to address the first of what looks like being a series of cross-party meetings for South West MPs. I addressed the second meeting in February, which was attended by MPs from Devon and Cornwall to Wiltshire and Gloucestershire. This followed a further meeting that we held in January for local transport authorities, LEPs, business organisations and users' groups. The purpose of that meeting, which was

attended by the head of the DfT's franchising unit, was to begin to shape a response to the DfT consultation on the franchise and to identify and work through any incipient inconsistencies between the approaches advocated by different participants. The meeting is likely to have impressed the DfT for the way in which it was apparent that those who have given careful thought to the issues are focussing on common themes.

The exercise has also involved us in making formal presentations to local authorities, including their senior elected members active in South West Councils, and to organisations representing the business community, including its umbrella organisations in the shape of the South West Business Forum and the South West Chamber of Commerce.

*Greater Western or Lesser Western?* also aroused the interest of railway companies. We have had meetings with a number of those who were considering making bids, not all of whom progressed to making formal expressions of interest.

The company's consultation response is in the final stages of preparation. It is likely to focus particularly on the importance of specifying key outcomes for the franchise, particularly those around performance and reliability, meeting capacity requirements and meeting passenger satisfaction targets. The Government has already indicated that it is committed to a lighter form of specification than was the case in the past where it established very detailed Service Level Commitments although it has also confirmed that [the starting point](#) in setting the specification will be the current level of service rather than the presently contracted minimum.

We are encouraging as many organisations and individuals as possible to respond to the DfT's consultation. We hope that the opportunity will be taken to make the case for the primacy of increased capacity given that the franchise is currently the most over-crowded and under-resourced in the country. Without adequate rolling-stock provision few aspirations for service improvement are likely to be realised.

- 2. Bus cuts:** The company has remained busy as local authorities seek its help in addressing the challenge of shrinking budgets and rising public transport costs. The Secretary, Jenny Raggett and Professor Chambers, in particular, have between them been engaged in constructive discussions with at least eight of the South West's local transport authorities. These have led to the amelioration of a number of the cuts originally proposed but we remain deeply concerned at the vulnerability of many of the South West's services and at that of their passengers who often find it difficult to get their concerns heard. We are keen to encourage our Members to work closely with us in monitoring likely

continuing threats to services and to provide local intelligence on sensible potential solutions.

- 3. Rail fares:** The Government's decision to not to go ahead with its planned RPI+3% fares' increase is obviously to be welcomed. It is also a reminder that governments may sometimes be persuaded to moderate their behaviour as a result of effective public lobbying. However, we are concerned that it is still committed to imposing these disproportionate increases in the next two annual fares' rounds. The Department for Transport's consultation on future fares' structures is due any time now. We intend to address significant effort to developing an informed response in association with the Members of the company. Many people in the South West will be aware that Anytime fares for former InterCity flows are the highest in the country: they are almost twice those per mile of those of the former Network SouthEast flows in the Thames Valley. This adds to the competitive disadvantage of businesses in such places as the M4/5 corridors west of Didcot and Newbury.
- 4. Initial Industry Plan:** The rail industry, led by Network Rail, issued a plan setting out the options and choices facing the railways for the next Network Rail funding Control Period which runs from 2014. The Office of Rail Regulation consulted on the Plan, prior to advising Ministers by early 2012 on the issues facing the industry and the implications for the funding available from April 2014. These are critical issues: the monies made available during the next and subsequent two five-year Control Periods will have a fundamental influence on the shape of rail services in the South West, every bit as significant as the franchise specification. TravelWatch SouthWest submitted a response to the ORR consultation in November. This can be found on the website. It highlighted the areas of greatest concern to TravelWatch SouthWest. These cover:

  - The inadequacy of the growth projections underlying the plan, at least in as much as they relate to the South West
  - The lack of a clear plan for progressive electrification of the network in the South West following on from completion of work on the GWML
  - The need to ameliorate the relative competitive disadvantage of substantial communities, particularly in the South West peninsular that are unlikely to benefit from early route enhancements
  - The case for a more innovative approach to the operation and maintenance of more lightly-used routes
  - The pressing need for the allocation of additional vehicles to those routes in the South West for which no early electrification plans exist.
- 5. Western Rail Access to London Heathrow:** The Secretary and I were pleased to attend a reception at the House of Commons sponsored by First Great Western and convened by Rob Wilson, MP for Reading East, with support from Fiona

Mactaggart, MP for Slough to launch the campaign for rail access from the Great Western Main line to Heathrow from the west. This concept was supported by Network Rail's London & South East *Route Utilisation Strategy*. We were particularly impressed that the organisers had persuaded Justine Greening, newly appointed as Secretary of State for Transport, to attend the event and speak in favour of the campaign.

**6. High Speed 2:** Although it is clear that the Secretary of State's decision to proceed with the HS2 project has not won universal support TravelWatch SouthWest has given it general endorsement in media interviews. We see it as a potentially valuable contribution to national connectivity and as recognition of the case for rail investment that, by logical extension, could bring benefit to the South West. However, we are also aware that there will be a need to ensure that the South West's competitive position is not further disadvantaged. For this reason we have welcomed the support being shown by the Government for the related scheme for an interchange at Old Oak Common, directly linking with Crossrail, HS2 services to the north and the proposed new link with HS1 and the European continental high speed network. We see this as a potential step-change in the connectivity of the South West.

**7. Current consultations:** The Government is currently consulting on a new system for prioritising and funding local major transport schemes for the period from 2014. It says that it is particularly keen to make decisions more responsive to local conditions and more accountable locally. While the board generally welcomes devolution we do have a number of concerns that we believe must be addressed if schemes are to be both fit for purpose and to reflect an appropriate balance between the needs of economic growth and sustainability and carbon reduction. In particular, we are concerned that:

- there is presently a shortage of relevant competence and capacity at local level,
- the effects and needs of major transport schemes seldom confine themselves to local administrative boundaries,
- local authority members and the relevant senior officers are often less-attuned to the needs of public transport users while the time-scales and inter-institutional organisational complexities involved in the planning and delivery of major capital schemes may act as a disincentive to engagement,
- there is a need to ensure that users' views are properly reflected in the development of major capital schemes,
- proper alignment is required between the plans of democratically elected local authorities for their areas and the objectives of the relevant local enterprise partnership, where non-local authority members comprise the majority and users may be entirely unrepresented.

We are aware that some LEPs are already alive to the need to ensure that there an appropriate framework is put in place to ensure that the network implications of major transport schemes are properly understood. The board plans an authoritative response to the consultation.

8. **TEN-T:** In October the European Commission unveiled the revised plan for the multi-modal Trans European Network - TEN-T – which has rail at its core. (The European Commission expects rail to account for more than half of all passenger and freight traffic over medium distances (200 km plus) by 2050. This equates to something of the order of a 10-15 fold increase in current volumes.) It involves funding 50€ billion of infrastructure investment, 31.7€ billion being destined for transport infrastructure over the period to 2020. In the longer term the EU expects to spend 1.5€ trillion. Delivery will benefit the South West where both the London-Bristol-Cardiff line and the Birmingham-Bristol line form part of the Core TEN-T network, together with longer-term benefits for routes to the far south west which will form part of the electrified Comprehensive network.

In headline terms the Core network, which comprises the strategically most important parts of the Comprehensive network, is made up of co-modal international passenger and freight corridors. Each rail line must be electrified and equipped with ERTMS (European train management and signalling systems); for freight traffic they must accommodate freight speeds of 100kph, 22.5 tonne axle-loads and train lengths of 750m. All the lines must meet EU technical standards for interoperability. The line from London to Cardiff will form part of the Core network as will the line from Birmingham to Bristol. Bristol Airport and Bristol Port also form part of the Core network. Rail lines making up the Comprehensive network also seem to be required to have these features (ie electrification, etc.): in our area the Comprehensive network includes (in addition to the Core network lines) Penzance-Reading; Taunton-Bristol; Bristol-Swindon (via Bath); Chippenham-Westbury (via Melksham), Waterloo-Exeter; Reading-Southampton; Didcot-Birmingham.

9. **National Bus Awards:** I am personally delighted to record that Thamesdown Transport Limited, a contributor to TravelWatch SouthWest and of which I am a director, has won the coveted UK Bus Operator of the Year Award. It also won the award for Top Shire Operator, five of the seven short-listed companies coming from the South West!

**Christopher Irwin**  
**Chair, TravelWatch SouthWest CIC**  
**25<sup>th</sup> February 2012**