

Anthony Smith
Chief Executive Passenger Focus
Whittles House
14 Pentonville Road
London
N1 9HF

Our Ref: 070115letPFFCCSE
Your Ref: let892/as

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Dear Anthony,

Cross Country Franchise

Thank you for your letter of 17th November asking for the evidence underpinning our proposals for the New Cross Country franchise (NCC). My letter to you of 5th December made clear we were content to share as much of our relevant travel pattern data as possible. We will be writing separately on points Sue Tibbett raised. This letter responds to your letter seeking clarification on the number of passengers needing to change as a direct result of the NCC plans, interchange numbers at Birmingham New Street (BNS) and overall how many passengers will benefit against the number that will be inconvenienced by these changes.

One of our key considerations in letting a new franchise is the market that the franchise will serve. The NCC market has changed over the last 5 years and our priority must be to respond to that change in delivering what rail passengers want and what TOCs and the wider industry can best deliver.

There were around 20 million journeys on Virgin Cross Country (VXC) during 2005/6. The average journey was 81 miles, with c. 50% of journeys at < 50 miles (c. 9.8 million passengers), c. 20% between 50-100 miles (c. 4.2 million passengers) and 20% of journey between 100-200 miles (c. 4 million passengers). Around 10% of the journeys are over 200 miles. Over the last 5 years, average journey length has decreased by 20 miles, suggesting there are fewer very long distance journeys with more short to medium distance travellers. Using this evidence, the key requirements of the new franchise are capacity enhancement for short to medium length journeys; improved performance and timekeeping to meet the demands of passengers. That does not mean we are forsaking long distance passengers, who are keen to ensure they can get a seat, have good connectivity and fast journey times to their destinations.

We need to be clear that we believe that the new franchise will bring a number of key benefits to **almost all** passengers that use the cross country route:

1. There will be increased capacity on the core where trains are busiest, e.g. at runs through and to Bristol, York, Reading and Manchester.
2. Services will run to a “clock face” timetable. This will lead to improved predictability and reliability of interchange, a specific benefit to longer distance passengers.

3. The current frequency of services will be maintained on the core routes and the proposed timetabling improvements will simplify train operations and should lead to improved timekeeping for all NCC services
4. These improvements and the new simpler service pattern will enable the TOC to add additional capacity more easily than they could have through the existing service pattern.
5. There will be new services: hourly between Manchester and Bristol; Trans Pennine Express will operate new services between Manchester Airport and Scotland with improved journey times and on the West Coast Mainline services between Scotland and Birmingham will operate at the same frequency as today but with better journey times.

The last issue we want to be clear on is **interchange**. Interchange is a key issue for passengers, especially for those making longer distance journeys. I also appreciate there has been some scepticism about our assertion that fewer people will have to change at BNS station under the NCC franchise.

About 45% of passengers on the existing cross country franchise change trains. Of these, the overwhelming majority change to or from another operator onto VXC and that only c. 220,000 of these passengers change at BNS. The vast majority of those that currently change onto a cross country service will be unaffected by the new franchise.

Of the relatively small number of passengers that we expect will change between NCC services, we expect there will be **more** interchange, with c.400,000 people **possibly** changing between NCC at BNS. This is around 2% of the total passengers on the route. But importantly, not all these passengers will **have** to change at BNS as there will be opportunities to change at other stations from December 2008, e.g. Banbury, Cheltenham Spa, Wolverhampton and Derby. Our analysis suggests that the number of passengers **having to change at BNS will be around 100,000**.

We will encourage the new franchise holder to ensure that passengers are provided with adequate information about what their interchange options are, so they can make the best choice for their circumstances. We are clear that bidders will need to develop their plans for promoting passenger-friendly interchange, e.g. same platforms at stations outside of Birmingham.

In summary our evidence leads us to conclude that:

- The vast majority of passengers will receive an improved service in terms of reliability, timetabling and journey times.
- The changes we are proposing provide the most effective way of asking bidders to develop their plans on how they could deliver substantial improvements in capacity (up to 30%) on the busiest parts of the network.
- There will be a small increase in the total number of passengers that will need to change trains between cross country (around 160,000). It should be remembered that this is < 1% of the travelling passengers based on 2005/6 data.
- We expect the number of passengers who have to change trains at Birmingham New Street station will be around 100,000. We encourage the new bidders to

develop a strategy for interchange but would be interested in hearing your views on how this can best be achieved.

I would like to thank you and your colleagues for challenging our evidence and communications regarding the NCC franchise. We have found the debate very constructive and we will consider with colleagues how we can use the lessons learnt for future stakeholder briefings. We confirm we are content for you to publish our response and are deciding how best to make this more widely available ourselves.

I hope this confirms what we discussed on 23rd January. Please come back to me if there are further points you wish us to clarify.

Yours sincerely,

Dr Stephen Clark
Divisional Manager – RRPD