

Initial briefing: fresh start for franchising

Introduction

Key announcements about the future of franchising were made on 26 March 2013.

These include:

- plans to put passengers at the heart of a revitalised franchising system
- a detailed timetable for all rail franchises over the next eight years
- announcement of the start of a competition for the East Coast franchise.

This briefing summarises the main points and provides links to the published documents.

Aims for franchising

A Prior Information Notice (PIN) has been published. In addition to inviting expressions of interest from prospective bidders the PIN sets out the aims for franchising.

These state that the Department seeks to appoint franchisees who will work in the context of partnership to support its aim of providing world class train services that drive economic growth, exceed passenger expectations and deliver value for money for passengers and taxpayers.

Significantly, this section makes explicit reference to the delivery of excellent standards in customer service, passenger information and managing disruption. Franchisees will be expected to exhibit values and behaviours that place passenger interests at the centre of all aspects of business planning and operations.

The PIN confirms that, in line with Richard Brown's recommendations, franchises will usually consist of a 7 to 10 year initial term with pre-contracted continuation, subject to agreed criteria including passenger satisfaction being met.

The PIN can be found at: <https://www.gov.uk/government/publications/prior-information-notice-for-rail-franchising-from-2013>

Long term plans for franchising

The Transport Secretary has announced a detailed timetable for all rail franchises over the next eight years.

Following the previously announced resumption of competitions for Essex Thameside and Thameslink, Southern and Great Northern these franchises are expected to commence in September 2014.

The process to return East Coast to the private sector will commence in October 2013, with the franchise starting in February 2015. A further 12 franchises will be then be awarded, starting with Northern in October 2015 and ending with Chiltern in August 2021. No more than four franchises will be let in any one year.

A number of franchise extensions or direct awards to current operators will be required to accommodate the new timetable.

The full programme is shown in the rail franchise schedule:

<https://www.gov.uk/government/publications/rail-franchise-schedule>

Other announcements

A Franchise Advisory Panel is being established, headed by Richard Brown, to provide independent advice to the Department.

The Government has revised and published a statement of franchising policy under section 26 in response to consultation input.

A Franchise Procurement Process Map is to be published on 25 April 2013.

A Franchising Competition Process Guide will be published on 25 June.

The Department will be making a full response to the Brown review in June.

A Rail Franchise Overview will be published in July 2013 as a successor to the Passenger Rail Industry Overview last published by OPRAF in 1996.

Other links

The Written Ministerial Statement gives an overview of the rail franchising announcements: <https://www.gov.uk/government/speeches/franchise-announcement>

Press notice: <https://www.gov.uk/government/news/fresh-start-for-franchising>

Franchise Advisory Panel terms of reference:

<https://www.gov.uk/government/policy-advisory-groups/193>

Statement of franchising policy under section 26:

<https://www.gov.uk/government/consultations/railways-act-1993-section-26-policy-statement>

Initial reaction and next steps

The franchising announcements contain much to welcome, particularly the overt emphasis on passenger interests and service quality. The proposals outlined today appear to chime well with many of the issues Passenger Focus has highlighted in our input to the Brown review and in discussions with the Department.

We will now be digesting the detail and holding further discussions with the Department, notably on the future role for NPS. We will also be developing proposals about the passenger benefits we will seek in relation to the franchise extensions and the next East Coast competition.

Sharon Hedges

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