



Department
for Transport

Great Western Rail Franchise Public Consultation

Moving Britain Ahead



November 2017



Department
for Transport

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Network map courtesy of Great Western Railway.

Secretary of State's Foreword



Great Western is one of the largest and most diverse of Britain's rail franchises, providing a mix of local, regional and InterCity services across a wide area spanning southern and south west England, South Wales, the Cotswolds and the Malverns. It plays a crucial role in supporting economic prosperity, connecting communities and helping to meet people's day-to-day travel needs for commuting, business, leisure and access to public services.

Ever since Brunel first conceived it, the Great Western railway has been closely associated with ambition and innovation. Through its history it has changed continuously to meet the evolving needs of the passengers and communities it serves. This is as true today as it ever has been. Indeed, right now the Great Western railway is in the midst of the most ambitious programme of change in its lifetime.

Brand-new electric trains are already transforming journeys on suburban services between Maidenhead and London Paddington and will soon be operating as far as Reading and Didcot. Their introduction is also releasing more trains for use in the West Country, providing more seats and space for passengers; the first of these trains are already in service in the Bristol area and more will follow early in the New Year. Just last month saw the first operation in passenger service of state-of-the-art new InterCity Express Trains between London, Bristol and South Wales. By 2019 they will be operating across the whole of the Great Western intercity network providing more seats, faster journeys and a truly modern on-board environment for passengers. In December 2019 the Elizabeth Line will deliver another step change, providing fast new links to the West End, the City of London and Canary Wharf.

These transformational changes are not the end of the story and we are now preparing for Great Western's next chapter. At the same time as launching this consultation, I am also publishing the Government's Strategic Vision for Rail. That Vision explains how we will work with the rail sector to place passengers at the heart of decision-making across the industry to deliver the best possible journey experience for passengers, create new opportunities for our economy and our communities and improve value and efficiency. In particular, the Vision describes the reforms this Government will implement to bring together the organisations responsible for railway lines and train services so that they work collaboratively under a common statement of principle: putting the passenger first.

This consultation develops those themes in the context of the future of Great Western. Now is the time to be asking big questions about how this franchise can best meet the needs of passengers and communities in the 2020s and beyond. In the consultation, we invite your views on whether Great Western should be retained as a single franchise in essentially its current form or whether we should split it into smaller parts, each with a sharper focus on meeting the needs of passengers in its own local areas. We also seek views on what should be the priority areas for future efforts to integrate ‘track’ and ‘train’ operations through strengthened partnerships. We will be taking the time to listen to your responses, to ensure that we design a future franchise – or franchises – that will put the interests of passengers first. This is why we will be seeking to agree terms for Great Western Railway, the current operator, to continue operating the franchise for a further short period while we address these crucial questions.

The future of the Great Western franchise will be shaped by passengers and by local priorities for change across the whole of the franchise area. The current operator has a track record of partnership with local authorities and other promoters of local train service improvements and we will expect the franchise to maintain and expand this important role in future. The Government will continue to work closely with local partners to deliver the MetroWest scheme (in the Bristol area). We will also require the franchisee to develop plans to trial regular services on the route between Okehampton and Exeter, as well as engaging with local groups such as the Peninsula Rail and North Cotswold Line Task Forces.

This consultation is a real opportunity to shape the future of the Great Western railway as we look beyond the current programme of change and into the 2020s. If you have an interest in the future of this railway, I want to hear your views and I urge you to respond.

A handwritten signature in black ink, appearing to read 'Chris Grayling', with a long horizontal line extending to the right.

The Rt Hon Chris Grayling MP,
Secretary of State for Transport.

Executive summary

Introduction

1. This document sets out proposals for improving train services on the Great Western rail network after the current franchise ends. We are running this consultation to help us identify passengers' most pressing priorities for improvements from 2020 onwards.
2. This is a consultation document, and we would like to hear your views on the service now as well as your thoughts on how to improve it for the future. Please read this consultation document all the way through, and then give us your answers to the questions in the response form provided on our website. You can respond online or via email, or fill out the response form and post it to us. Full details are shown in Chapter 5. We must receive your response by 21 February 2018.

Background and context

3. The Great Western franchise is one of the largest and most diverse rail franchises in Great Britain. It is currently undergoing the most substantial programme of improvements in its history. Thanks to a multi-billion pound investment in new trains, electrification and other infrastructure enhancements, as well as investment by the current franchise operator, the service will have been transformed by the end of 2019. Virtually every route will receive some kind of improvement: for example new or more modern trains, more seats and space for passengers, more frequent or faster journeys, improved station and parking facilities, and on-train wi-fi. Onward connections across London will be transformed by the introduction of Crossrail services, linking Reading, Maidenhead, Slough, Heathrow Airport and Paddington directly to the West End, the City and Canary Wharf.

Continuing with the current franchise operator

4. The current franchise is due to expire in March 2019. A change of franchise operator is best avoided at this time, as it falls in the midst of a major programme of change. We consider that there is also considerable benefit, both for passengers and for taxpayers, in allowing a short period for the new trains and timetables to bed in before we commence a competition for a new long-term franchise. We therefore intend to exercise our contractual option to extend the current franchise for a further twelve months, and to begin discussions with the current franchise operator with a view to them continuing to operate the franchise for a further two years – i.e. until March 2022. The rationale for this decision is described more fully in Chapter 3 but we are clear that, if we conclude

that we cannot secure substantial passenger benefits at an acceptable price for the taxpayer, we will retain the option to revert to a competition.

5. We have also been considering whether the franchise should be retained in its current form, or whether passengers' interests would be best served by splitting it into two (or potentially more) separate franchises, each with a stronger focus on meeting the needs of a particular market or geographical area. We are inviting views on a specific proposal for a possible two-way split and, subject to the outcome of this consultation, we could require the current franchisee to undertake the necessary preparations during the franchise period up to 2022 for a subsequent split.

Integration of “track” and “train”

6. Alongside this consultation document, the Government is publishing its Strategic Vision for Rail. This describes the Government's approach to bringing together the organisations responsible for operating the track and the trains, with a shared focus on putting the passenger at the heart of decision-making. A key priority for the Great Western continuation period will be to drive forward this agenda, building on the progress already made through the existing Alliance Framework Agreement between the franchise operator and Network Rail.

Priorities for passengers

7. Although passengers' experience of the Great Western franchise will continue to be transformed in 2018 and 2019, we need to look further into the future and begin to plan now for the improvements that will be needed in the 2020s. We have already undertaken a substantial programme of informal discussions with a wide range of interested parties across the franchise area, and this document outlines a range of potential future priorities based on what we have learned from those discussions. Some relate to the train service and timetables themselves, while others concern the many other aspects of the service provided by any train operator that contribute to the passenger's overall journey experience. Through this consultation process, we would like to invite views on which of these areas should be the highest priorities for securing further improvements in the proposed continuation period and during the period of a potential future franchise beyond 2022.



1. The current franchise and improvements to be completed by 2020



Overview

- 1.1 The current Great Western franchise was formed in 2006 by combining services from three separate franchises: Great Western Trains, Wessex Trains and Thames Trains. The franchise is now one of the largest and most geographically diverse on the GB rail network and covers services across a wide area of the Thames Valley, the Cotswolds, South Wales, Bristol and the South West. Services fall into three distinct service groups as follows:
- Thames Valley: Primarily commuter services between London Paddington, Slough, Reading, Oxford, Newbury and Bedwyn, including the branches to Greenford, Windsor, Marlow and Henley, the Paddington – Hayes & Harlington leg of the Paddington – Heathrow Airport ‘Heathrow Connect’ service; and the Reading – Gatwick Airport service. This service group also includes the significant commuter flows to Reading, Slough and other towns in the region.
 - High Speed: Long distance services from London Paddington to Bristol, South Wales, Worcester, Hereford, Cheltenham, Gloucester and the South West, covering commuter, business and leisure travel to and between these towns and cities, and the Paddington – Cornwall Sleeper.
 - Western: Local services within the South West, including the branch lines in Devon and Cornwall, covering both local journeys and connections to longer distance services; local services in the Bristol ‘travel to work’ area, regional services between Cardiff, Bristol, Portsmouth and Weymouth and the Swindon – Westbury ‘TransWilts’ route.
- 1.2 Owing to the diverse nature of the franchise, there is a considerable mix of commuting, business and leisure travel across the network, and a single train can fulfil several different functions e.g. a Bristol – Paddington train providing business travel from Bristol and a commuter service from Swindon or Didcot.
- 1.3 A large number of freight services also operate across the franchise network, and this is set to grow further in the future. These services play a vital role in moving goods around the country and helping to reduce the number of lorries on our roads. Particularly important flows include container trains from Southampton towards the Midlands, North West and Scotland via Reading and Oxford, carrying consumer goods to distribution centres in one direction and goods for export in the opposite direction, and trains carrying stone from the Mendip quarries to London and the South East for use in construction projects. Other important flows include steel and steel products to and from South Wales, and finished cars from Oxford and Swindon for export.

10 A map showing the area covered by the franchise is shown below:





The franchise at a glance

Train services operated each weekday	1580
Passenger journeys (2015/2016)	104 million
Growth in passenger numbers since 2011/2012	2.1% per annum (some lines have shown much higher growth)
Stations served	265, of which GWR operates and manages 205
Total revenue (2015/2016)	£925 million
Split of fares by ticket type (2015/2016)	Season tickets: 14% Full fare: 31% Reduced fare: 54%
Average journey length (2015/2016)	35 miles
Fleet size (at September 2017)	228 train sets, a mixture of HST sets, hauled coaches, and diesel and electric units

Transforming the Great Western Service

1.4 Network Rail, the current franchise operator and other industry partners are working together to deliver the Great Western route's biggest modernisation programme since Victorian times. Much of the franchise will be transformed beyond recognition: most routes have received, or will soon receive, brand-new or more modern trains, with more seats and space for passengers; many will see more frequent, more regular and/or faster journeys. The following table provides further details.

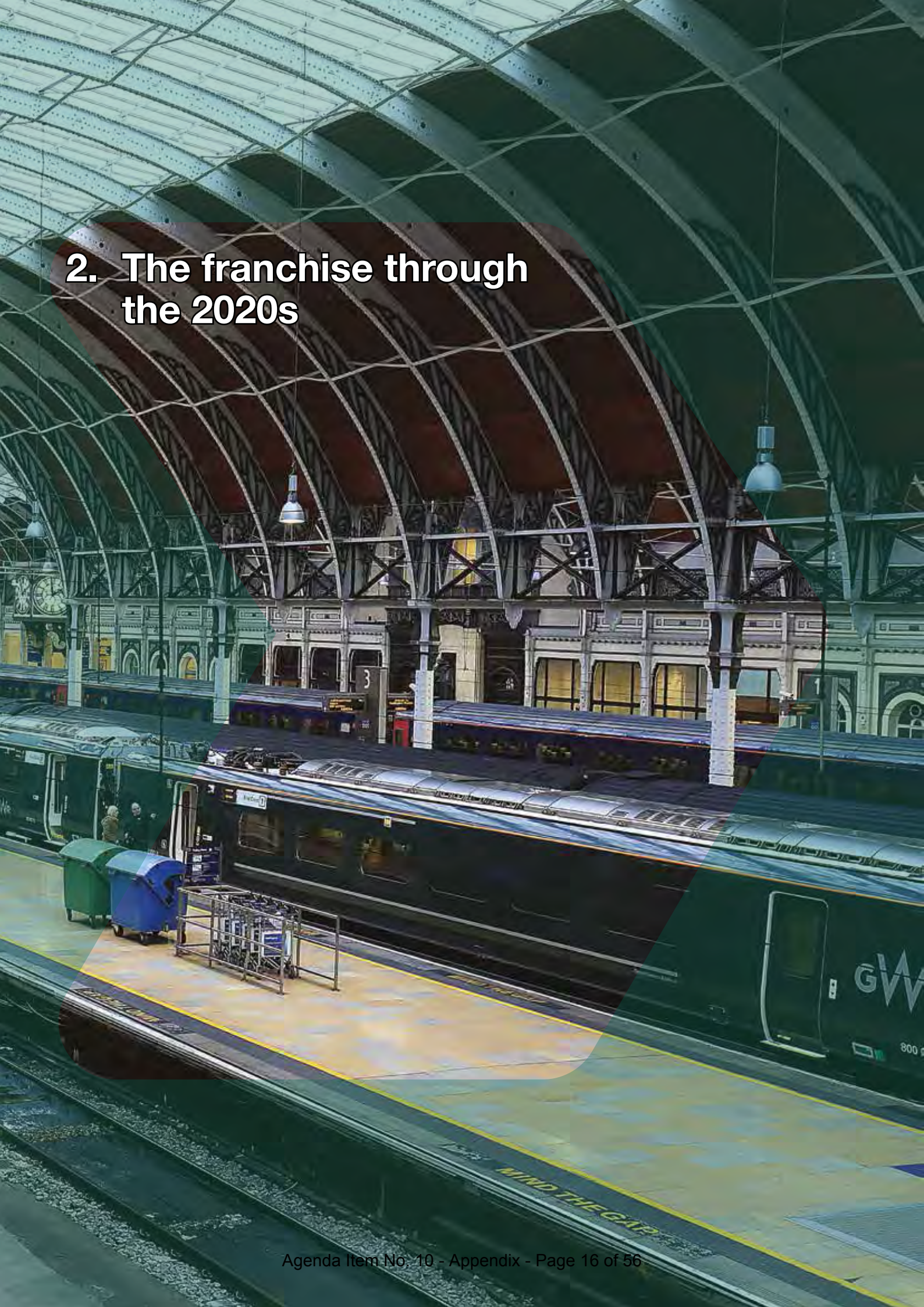
Service Group	Benefits provided by January 2018	Benefits provided in 2018 and 2019
Thames Valley	<ul style="list-style-type: none"> ● New electric trains introduced between Paddington and Hayes & Harlington from September 2016, and between Paddington and Maidenhead from May 2017 with air conditioning, at-seat power sockets and free wi-fi, and providing 40% more seats for passengers ● Introduction of new electric trains between Paddington, Reading and Didcot Parkway in January 2018, with air conditioning, at-seat power sockets and free wi-fi, and providing 40% more seats for passengers ● Regular half-hourly service introduced in May 2017 on the Henley-on-Thames branch 	<ul style="list-style-type: none"> ● Introduction of new electric trains between Paddington and Newbury, with air conditioning, at-seat power sockets and free wi-fi, and with 8 carriages compared to a maximum of 6 currently ● Introduction of Crossrail services, linking Reading, Maidenhead and Heathrow Airport directly to the West End, the City of London and Canary Wharf, with journey times from Paddington of 10 minutes to Liverpool Street and 17 minutes to Canary Wharf ● New, longer trains on Crossrail services, providing space for up to 1500 passengers on each train ● Station improvements at stations served by Crossrail services, with step free access to platforms at all stations served by Crossrail trains ● Doubling of frequency on stopping services between Paddington and Heathrow Airport ● Introduction of new 125 mph bi-mode intercity trains between Paddington and Oxford, providing approximately 100 more seats than current trains ● Introduction of new 125 mph bi-mode intercity trains between Paddington and Bedwyn, maintaining through services, and which will have air conditioning, at-seat power sockets and free wi-fi, and up to 10 carriages at peak periods compared to a maximum of 8 on current peak hour services ● New multi-storey car park at Didcot Parkway completed by autumn 2018 providing 1800 spaces

Service Group	Benefits provided by January 2018	Benefits provided in 2018 and 2019
High Speed	<ul style="list-style-type: none"> ● Introduction of new Intercity Express bi-mode trains between Paddington, Bristol Cardiff and Swansea in October 2017, providing better quality facilities and up to 24% more seats than a typical InterCity 125 train ● Modernisation of the carriages used on the ‘Night Riviera’ sleeper to give better facilities for passengers ● 330 space car park extension at Kemble 	<ul style="list-style-type: none"> ● Introduction of the full fleet of new Intercity Express bi-mode trains replacing the existing InterCity 125 fleet and providing up to 24% more seats than a typical InterCity 125 train on services to Bristol, Cardiff, Swansea, Cheltenham, Worcester and Hereford ● A new fleet of 36 intercity trains replacing the existing InterCity 125 fleet on services between Paddington and the South West, with better quality facilities and providing approximately 100 more seats than current trains ● A doubling of frequency between Paddington and Bristol ● Faster journeys between Paddington, Bristol and South Wales ● Up to 40% more seats provided in the morning peak into Paddington ● A regular hourly service from London to Exeter and Plymouth and a two-hourly service to Penzance ● Hourly direct services between Paddington, Stroud, Gloucester and Cheltenham with longer trains with up to 24% more seats than a typical InterCity 125 train ● A more regular service between Paddington, Pewsey, Westbury, Castle Cary and Exeter ● Provision of new lounge and shower facilities at Penzance and Truro for sleeper passengers

Service Group	Benefits provided by January 2018	Benefits provided in 2018 and 2019
West	<ul style="list-style-type: none"> ● Introduction of longer and more modern trains on the Bristol – Severn Beach, Cardiff, Taunton, Great Malvern and Weymouth lines, providing more seats and space for passengers ● Smart ticketing introduced on the Bristol – Severn Beach line 	<ul style="list-style-type: none"> ● Introduction of longer trains on the Cardiff – Portsmouth and Plymouth – Penzance routes, and on many branch lines in Devon and Cornwall providing more seats and space for passengers ● Introduction of a regular 2 trains per hour service between Plymouth and Penzance, with some trains extended to and from Exeter ● Withdrawal of many of the oldest trains from the franchise, including the ‘Pacers’ ● Introduction of 4 carriage InterCity 125 trains on the Plymouth – Penzance route with power doors, modern toilets and facilities for passengers with disabilities ● Construction of a multi-modal interchange at St. Erth ● Introduction of additional trains on the Barnstaple line giving a better spread of morning peak arrivals and evening peak departures to and from Exeter ● Regular 2 trains per hour service provided between Exmouth, Exeter and Paignton, operated by 4-car trains on many services, providing more seats and space

Service Group	Benefits provided by January 2018	Benefits provided in 2018 and 2019
Franchise wide	<ul style="list-style-type: none"> ● Introduction of free wi-fi on all trains being retained within the franchise after 2019 ● Introduction of a Customer & Communities Improvement Fund providing support for projects which benefit passengers and local communities 	<ul style="list-style-type: none"> ● Provision of 2100 more car parking spaces ● Fitting of at-seat power sockets on older trains being retained within the franchise after 2019 ● Provision of additional staff for passenger assistance at 15 stations ● Introduction of a Station Development Match Fund to support developments at stations ● Introduction of a Station Access Fund to support improvements in station access

2. The franchise through the 2020s



2.1 Chapter 1 explained how the Great Western franchise will benefit from the major changes that will be implemented by the end of 2019. The first priority for the franchise in 2020 and beyond will be to ensure that it continues to deliver the intended benefits for passengers of the substantial investment currently taking place. However, we also need to start planning now to meet the further needs that are expected to arise in the 2020s.

The opportunity

2.2 Demand for travel across the Great Western franchise has grown substantially in recent years – faster than the rail industry was expecting five or ten years ago, and there are good reasons to expect passenger numbers to continue growing significantly during the 2020s, including:

- Housing development, job creation and changes in population and employment distribution. Local authorities across the franchise area are planning for substantial house-building and job creation in their areas over the next twenty years. Many of these locations are close to existing or potential new railway stations. In addition, employment is becoming increasingly concentrated in locations accessible by rail, e.g. the Temple Meads area in Bristol, Sowton business park in Exeter or Green Park in Reading, and populations are becoming more concentrated in urban areas, which are easier to serve by public transport.
- Road traffic congestion. In many towns and cities around the Great Western franchise, local road networks are becoming increasingly congested, both during peak hours and at other times of the day. We are investing in improvements to local and national road networks, but, where congestion is already a problem, further population and employment growth may lead to rail becoming a more attractive alternative for many journeys, and there may be opportunities for rail to expand its role in park and ride provision in some towns and cities.
- Trends in car ownership. While car ownership and usage continues to increase, we are seeing significant changes within different groups of society. The proportion of 17 – 29 year olds holding a driving licence has been on a broadly level or falling trend for the past 20 years, and the proportion of journeys made by car in the 17 – 39 age groups has declined since 2002, whilst that for rail journeys has increased. This presents a significant opportunity for rail and other public transport modes.

The challenges

2.3 In common with the railway as a whole, these trends present significant challenges for the Great Western franchise, including:

- **Crowding:** Rising passenger numbers over recent years have led to increasing levels of crowding. As described in Chapter 1, passengers across the franchise will see more seats and more carriages on busy routes over the next few years, but further action will be needed in the 2020s to ensure that there is sufficient space to carry rising passenger numbers.
- **Infrastructure capability:** By 2020, much of the Great Western network will be operating at or close to the full capability of the railway infrastructure, especially at the times when people most want to travel. This will limit the scope to run more trains, although there will be opportunities for train lengthening on some routes, and an increasingly important role for new technology in making better use of the available network capacity. Rising demand for freight traffic adds further pressure. The rise in the number of trains operating has made it more difficult to maintain the high standards of reliability and punctuality that passengers expect, and tackling this will be a key priority in the period ahead.
- **Rolling stock:** There is a limited supply of rolling stock across the GB rail network and, although over 6000 new carriages are being introduced to the network by 2024, trains to operate on non-electrified routes are likely to remain in short supply as many existing diesel trains approach life-expiry. Addressing rising passenger demand on non-electrified routes is therefore likely to require additional trains, either through new-build or by applying innovative “bi-mode” technologies to existing trains. Hydrogen-powered trains will shortly start operation in regular service in Germany, and could also potentially be a solution.
- **Funding:** While the railway is experiencing unprecedented levels of investment, there will be a limit on the availability of public funds to invest in all potential upgrades to the rail network. Achieving the full potential of the Great Western franchise in the 2020s will therefore require a wider range of funding sources than in the past. Since privatisation, private finance has supported investment in new trains for this franchise, and in the depot facilities that are needed to maintain them, e.g. the new Intercity bi-mode trains for services to the South West. We are also seeing increasing ambition amongst local authorities to bring together packages of funding using locally-available sources, including Local Growth Funding devolved by central government, e.g. the ‘MetroWest’ project for services around Bristol. Using a wider range of funding sources offers the potential to enhance rail infrastructure and train services more quickly than would be possible through central government funding alone.



- Resilience: People and businesses often rely on the railway, and local communities can be severely affected when parts of the network are cut off. Recent years have seen a number of weather-related events where critical parts of the Great Western network have been closed for significant periods, e.g. the collapse of the sea wall at Dawlish, flooding at Cowley Bridge (Exeter) and across the Somerset Levels, as well as locally-significant episodes such as floods blocking the Looe branch, and flooding at Hinksey and Chipping Sodbury. Improvements to the physical resilience of the network are considered through the Network Rail investment planning process, but there is a role for the franchisee in minimising the disruption to passengers during such events, working with Network Rail to restore services as quickly as possible and managing planned disruption, and collaborating with Network Rail on planned schemes to enhance network resilience.

Franchise objectives for the 2020s

2.4 Taking account of the opportunities and challenges outlined above, and the Government's objectives for transport more generally, we propose the following core objectives for the Great Western franchise in the 2020s:

- **Provide safe, punctual and reliable services** with enough seats and space for people who want to use them;
- **Focus on the needs of the travelling public** to provide an excellent and continually-improving customer experience for all passengers, whatever their particular needs and abilities;

- **Maximise the benefits for passengers** from the current transformational investment in the Great Western railway network;
- **Maximise the contribution of the railway to driving local and regional economic growth**, enabling planned growth in housing, and meeting the wider needs of citizens and society across the whole of the franchise area;
- **Be a responsible employer** who invests in the welfare and the development of its workforce, motivating staff and equipping them with the right skills to provide the best possible customer service;
- **Strengthen the connection between the railway and the communities it serves**, supported by strong relationships with all those who have an interest in the franchise and the services it provides;
- **Continue to improve the environmental performance of the railway** and support wider environmental objectives by providing an attractive alternative to more polluting modes, and improving measures such as energy and water consumption and recycling;
- **Develop close collaborative working with Network Rail and other partners**, bringing the operation of track and train closer together to deliver the best possible service for passengers and drawing in funding from the widest possible range of sources;
- **Work with the Government and other agencies to support the development and delivery of other major rail investment schemes**, such as the proposed western rail link to Heathrow, East-West Rail and the interface with HS2 at Old Oak Common; and
- **Operate efficiently, providing best value for taxpayers' and passengers' money**, thereby ensuring the maximum possible resources are available for further service improvements.

CONSULTATION QUESTION 1:

a) To what extent do you agree or disagree with these objectives, and why?

- Agree with the objectives
- Agree with the majority
- Disagree with the majority
- Wholly disagree

b) Are there any priorities you would change or add, and if so why?

3. Key structural choices for the next franchise



First  Great Western

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3.1 Chapter 2 outlined the key opportunities, challenges and objectives for the Great Western franchise in the 2020s. This Chapter considers some different approaches we might take to the next franchise in order to provide the best possible service for passengers and value for taxpayers, through the 2020s. It considers three key questions:

- Should Great Western be retained as a single franchise, in essentially its current form, or split into two (or more) separate franchises?
- How can we better integrate the activities of the franchisee (as train operator) and Network Rail (as network operator), to ensure that both parties work collaboratively to common objectives that put passengers' interests first?
- Given the context set out in Chapter 1, the objectives for the next franchise discussed in Chapter 2, and the two questions listed above, when is the best time to embark upon a competition for a new, long-term franchise?

Should Great Western be retained as a single franchise?

3.2 The Great Western franchise was formed in 2006 by combining services previously operated by the Great Western, Wessex and Thames Trains franchises. Combining these separate parts into a single franchise has brought significant benefits over the past decade, e.g. providing significantly better connections between main line and branch line services at interchange stations in Devon and Cornwall, but there are also reasons to believe that a different approach might be more effective in the period ahead; e.g. by allowing a better focus on the different markets in the franchise. The introduction of Crossrail services, which will take over most stopping services between Paddington and Reading, will also have a significant effect on the mix of services operated by the franchise between Paddington and Reading.

3.3 We are therefore considering whether the franchise should be retained in broadly its current form, or split into two (or more) smaller franchises. This would be a major organisational change, involving significant work and time for its effects to bed in, and we would only proceed with such a move if there are clear and demonstrable benefits from doing so. The following table summarises the main advantages and disadvantages of the different possible approaches.

3.4 In view of the potential benefits outlined in the table, we could require the franchisee to undertake the preparatory work that would be necessary to allow the franchise to be split when it falls due for replacement in 2022. Undertaking this preparatory work would not prejudice the future decision on whether to proceed with any split, which would need to be taken before procurement of that replacement franchise and which would need to take account of the views expressed in response to this consultation.

Approach	Single franchise	Two or more smaller franchises
Advantages	<ul style="list-style-type: none"> ● Coherent, integrated service for passengers. It is easier to coordinate timetables and offer good connections between services when they are being planned by a single operator. ● Reducing duplication: An important part of the rationale for merging franchises in the first place was to provide a single operator on the busy approaches to Paddington station. This will change when Crossrail services start operating west of Paddington. ● Efficiency: The costs of fixed overheads can be spread across a wider range of activities. ● Resilience: A larger organisation will typically have a larger pool of resources (financial, staff, rolling stock, etc.) to call upon in challenging circumstances. ● Integration: Reduces the number of potential interfaces for external organisations when engaging with the railway industry. 	<ul style="list-style-type: none"> ● Market focus: Potential for smaller franchises to give more attention and tailor services more closely to the individual routes and markets they serve. This may enable them to provide a better service and thus to increase passenger satisfaction and numbers more quickly. ● Attractiveness to the franchise bidding market: While this is not an end in itself, it is in passengers' and taxpayers' interests to see a healthy competition when a franchise is tendered. Recent franchise competitions have secured substantial passenger improvements at reduced cost to the taxpayer. By reducing the absolute amount of financial exposure within a single contract, it may be possible to attract a wider range of bidders and thus secure a better outcome from the competitive process. ● Competition: Some options for splitting the franchise would result in direct competition on particular routes, which can allow more choice for passengers on service quality and/or fares.

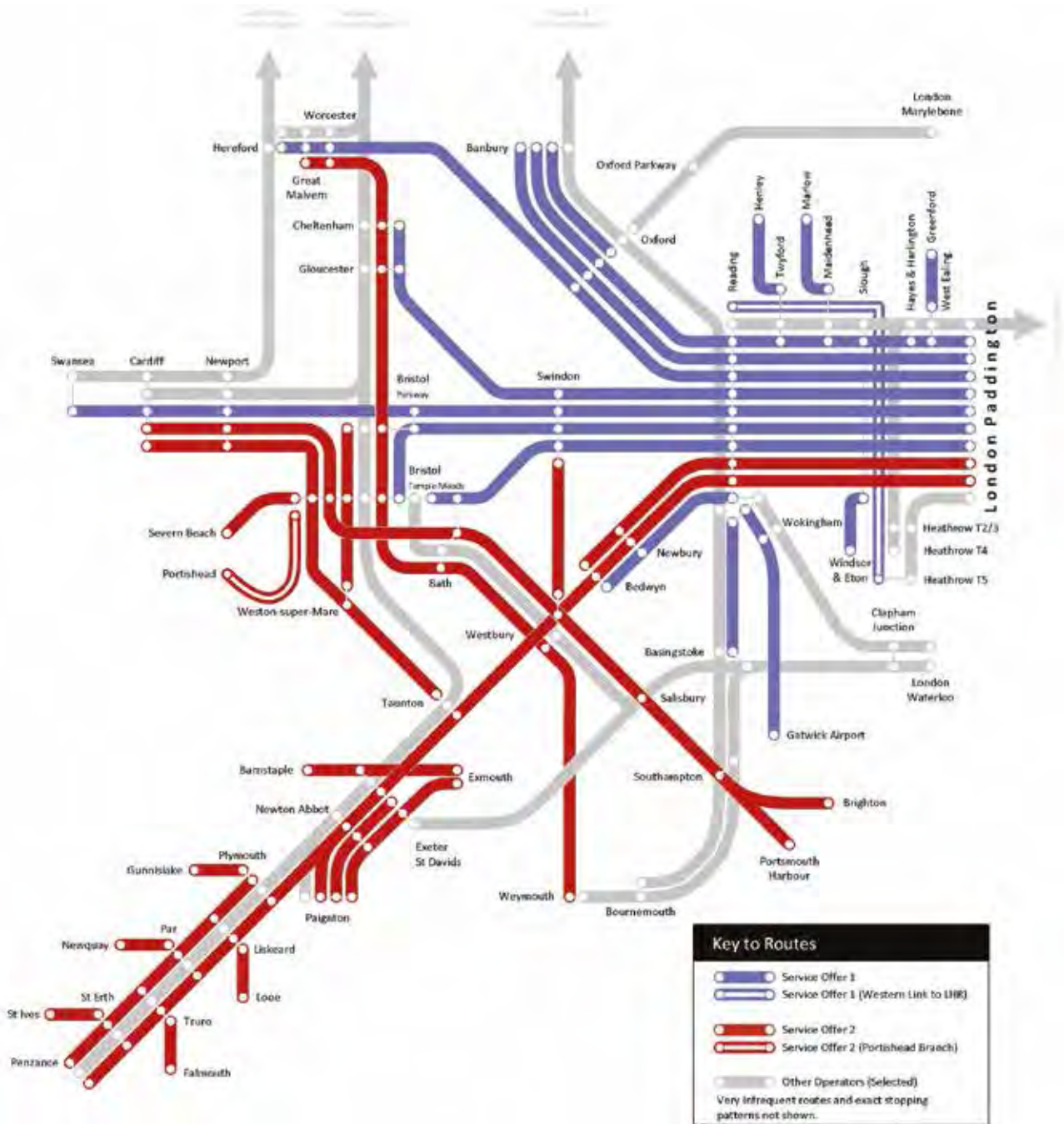
Approach	Single franchise	Two or more smaller franchises
Disadvantages	<ul style="list-style-type: none"> ● Size and diversity: The Great Western franchise is extremely diverse in terms of the markets served. While the current franchisee has invested substantial management effort to meet the needs of all the different routes and markets it serves, this is harder to achieve in a large and diverse franchise. ● Diseconomies of scale: There is some academic evidence to suggest the Great Western franchise may have grown larger than an optimally-efficient franchise, especially in such a geographically diverse network. ● Scale of financial risk: Annual Great Western franchise revenues will soon be over £1 billion, meaning an increased risk that the scale of financial risk and exposure may be unattractive to prospective franchise bidders, which could reduce the number of potential bidders, resulting in it being more difficult to achieve the best outcomes for passengers and value for money for taxpayers from a franchise competition. 	<ul style="list-style-type: none"> ● Coordination: It may be more difficult to co-ordinate services between separate franchises, e.g. providing regular intervals between services or good connections. When Devon and Cornwall branch line services were separate from intercity services to London, there were poor connections between these service groups, which improved when the integrated Great Western franchise was formed. Separate franchises would create more interfaces for stakeholders, could make network operations more complex, and require agreement from more organisations for any changes required. ● Complexity for passengers: Where multiple operators compete on the same route, the result can be a very complex fares structure and different standards of service. Competing operators may seek to time trains or individual station stops more to secure a competitive advantage than to provide a coherent service. There is a risk that the benefit of a choice of fares and service standards becomes outweighed by the complexity of the number of options available. ● Inefficiency: Fixed-cost overheads e.g. head offices, have to be spread across a smaller range of services. ● Resilience: Smaller franchises focused on specific routes may be less well placed to respond to challenging circumstances.

3.5 As well as considering the potential benefits and drawbacks of splitting the current franchise, we have carried out some initial work to consider different ways in which the franchise could be split. Any split would need to result in franchises that are:

- Coherent in terms of the markets and routes they would serve and the train fleets they would need to operate;
- Clear and logical for passengers;
- Large enough to be financially sustainable and efficient, but also small enough to be manageable and attractive to the franchise bidding market;
- Operationally viable: Each separate franchise would need to have suitable depot facilities within its area, and ideally would maintain rolling stock fleets that are as homogenous as possible;
- Minimise multiple interfaces for local authorities and LEPs interested in developing local rail services and stations, Network Rail and other stakeholders;
- Minimise the potential for business units with multiple sets of staff terms and conditions.

3.6 The following map illustrates one possible option for a two-way split, comprising:

- One franchise, coloured blue on the map below, concentrating on the intercity markets between London and Bristol, South Wales and the Cotswolds, outer suburban and branch line services in the Thames Valley, airport services and potentially future services using the proposed western rail link to Heathrow;
- Another franchise, coloured red on the map below, providing long-distance services between London, Wiltshire, Somerset, Devon and Cornwall (including the Sleeper), together with regional and local services across the central and south-western parts of the franchise area, including potential future services to Portishead and other elements of the 'MetroWest' scheme. This could include the services between Paddington, Newbury and Bedwyn, as although they may be a good fit with other Thames Valley services, there could be potential for the Newbury and Bedwyn services to be integrated within the longer-distance intercity services that operate along the same route.



CONSULTATION QUESTION 2:

a) Do you agree or disagree with the proposals outlined above for splitting the Great Western franchise into smaller franchises?

- Agree
- Disagree
- No opinion

b) Why?

- 3.7 In addition to the question of whether the franchise should be split, we have also identified some potential options for changes to the geographic boundaries of the franchise. These options would remain relevant whether the franchise is retained as a single large, integrated franchise or split into smaller franchises. These options are:
- The Greenford branch. Some stakeholders have questioned whether the Greenford branch is best served in future by the Great Western franchise or whether there could be a case for incorporating it into the Chiltern franchise, which is due to be re-let in 2021. Chiltern operates a large fleet of similar diesel trains from its nearby depot at Wembley and could therefore be well placed to operate the service in future.
 - Brighton. The current Great Western franchise operates a small number of through services from Brighton to Southampton, Salisbury, Bristol and beyond. While these services provide useful direct links to and from the south coast, they are infrequent and contribute to an irregular service pattern between Brighton, Chichester and Southampton. Transferring the Brighton-Southampton part of these services into the successor to the current Thameslink, Southern & Great Northern (TSGN) franchise could allow a more consistent and regular service pattern to be operated on this route. Electric trains could replace diesels between Southampton and Brighton, providing more seats than the Great Western franchise provides today and releasing diesel trains to provide more space for passengers on other core routes within the Great Western franchise. If GWR services to/from Brighton were to be withdrawn, we would require the TSGN franchise to maintain sufficient capacity between Brighton, Portsmouth and Southampton. Different arguments might apply on weekdays, when these services provide a commuter service to/from Brighton, and where services beyond Southampton may be less important; and at weekends, when these services may be more important for leisure passengers travelling longer distances who wish to avoid changing trains.

CONSULTATION QUESTION 3:

a) Giving reasons, do you agree or disagree with the options outlined above for:

- Transferring Greenford branch services to the Chiltern franchise;
 - Agree
 - Disagree
 - No opinion
- Transferring the existing Brighton-Southampton portion of the current Great Western Bristol – Salisbury – Southampton – Brighton service to the Thameslink, Southern and Great Northern franchise;
 - Agree
 - Disagree
 - No opinion

b) What other locations or routes do you think should be considered for adding to the franchise or transferring to another franchise, and why?

What more can be done to promote better integration between ‘track’ and ‘train’?

3.8 Close collaboration between Network Rail and franchise operators is critical in providing a safe and reliable service for passengers. Effective collaboration requires strong leadership to encourage and demonstrate the right behaviours, and a focus on passengers’ needs throughout each organisation, with an overall aim of achieving clear accountability, aligned objectives and collaborative working. The current franchisee and Network Rail’s Western Route have already made significant efforts in this direction, including through their Alliance Framework Agreement and setting up the Western Route Supervisory Board, comprised of Network Rail and representatives from the train operators on the route and a representative from Transport Focus.

3.9 Important aspects of collaboration between Network Rail and franchise operators include:

- Day-to-day operations, where collaboration helps smooth operation of the railway. This is particularly important during disruptions, in order to provide clear and accurate information to passengers and to restore services as quickly as possible to minimise disruption;
- Alignment of objectives and targets between the operator and Network Rail, e.g. on punctuality targets;



- Maintaining and improving the network: Network Rail needs access to the network to carry out maintenance and improvement work, meaning that there are times when passenger services cannot operate or are reduced in frequency. Current industry mechanisms for agreeing this access can result in opposing incentives for Network Rail and passenger operators. Collaboration can allow better ‘whole industry’ decisions to be made in the best interests of passengers, e.g. cutting back last services on some days of the week when demand is low to allow later services to operate on other days when demand for late-evening services is higher.
- Planning and delivery of major enhancement schemes: Many more complex rail upgrade schemes require a combination of changes to the infrastructure, usually planned and carried out by Network Rail, and changes to the train service, which are the responsibility of the franchisee. Successful delivery depends on integrating these aspects throughout the enhancement scheme. Managing these interfaces in major enhancements can be challenging, especially where multiple organisations are involved, and any changes to one aspect of the project can have significant consequences for others. Successful delivery is aided by having a single party with overall accountability for achieving the intended outcomes of such schemes.

3.10 We will expect the next Great Western franchise to build further on the existing collaboration with Network Rail, which could include a stronger joint partnership approach to developing and designing future train service and infrastructure enhancement schemes.

CONSULTATION QUESTION 4:

- a) What do you think are the main challenges that might be addressed through greater co-ordination and integration between the train operator and Network Rail?
- b) What do you think should be the future priorities for strengthened partnership working between the franchise operator and Network Rail?

When is the best time to run a franchise competition?

3.11 The current franchise expires on 31 March 2019. This is not an ideal time to plan for a potential change of franchisee as it falls in the middle of a major programme of change, which is scheduled to be completed by December 2019. The current franchise agreement includes an option to extend the franchise by a period of up to one year and we have already indicated in our published franchise schedule that we are likely to exercise this option. Maintaining the continuity of operator through this period would help to ensure that new trains and timetable changes are implemented as smoothly as possible, and that disruption to passengers during the upgrade works is reduced. We are now confirming that we will exercise this option. This will mean that the current franchise will run until April 2020.

3.12 We originally assumed that we would run a competition for a new, long-term franchise to start in April 2020 when the current franchise expires. However, as we began our early preparations for the franchise competition, we identified a number of reasons why this would not be in the best long-term interests of passengers and communities served by the franchise. We saw a number of reasons why maintaining continuity of franchise operator, for a further period of approximately two years, could enable a better long-term outcome for passengers:

- For a franchise starting in April 2020, bidders would be preparing bids at a time of substantial change, and would have no information about how these changes will affect passenger demand. With such uncertainty, it is likely that bidders will be cautious, and an early competition may fail to secure the best possible bids; either less ambitious proposals for service enhancements, or a poorer bid price. The former results in fewer benefits for passengers, whilst the latter would mean a poorer deal for taxpayers. Preparing a bid at this time, if it chooses to bid, could be a distraction for the incumbent franchisee at a time when it is imperative for it to focus on ensuring that the complex changes during 2018 and 2019 are implemented successfully, with minimum disruption to passengers.
- Network Rail's infrastructure enhancement programme for 2019 onwards is not yet settled, and further development work is needed on a number of important potential projects within the Great Western franchise area before decisions to proceed with those projects can be made. The specification for a franchise starting in 2020 would need to be based on the known infrastructure capability for April 2020, but this could mean missing opportunities to secure train service enhancements through the competition. Deferring the competition by approximately 2 years could allow time for decisions to be taken on future enhancement schemes, allowing the intended benefits of such schemes to be secured through the next competition.
- There are a significant number of potential enhancement schemes that are important locally, but may be difficult to prioritise amongst other national schemes in the early 2020s. Where there is an appetite to identify local funding to introduce such schemes earlier, a further short franchise could enable local scheme promoters (with appropriate support from Network Rail, the franchisee and others) to develop proposals and funding packages for infrastructure enhancements in time to inform the service specification for the next franchise competition.
- In the event of a decision being taken to split the franchise, preparing for a split would involve substantial work, such as reorganising the franchise into standalone business units, with separate workforces, train fleets and contracts with suppliers. It would also take substantial time to complete effectively, especially to ensure meaningful discussions with the existing workforce and their representatives on the implications of a split. Continuing for a further period with the current operator would allow time for this to take place. It would be beneficial for the future competition for the franchise to have been split into separate business units with an established trading record.

- 3.13 We will therefore be starting discussions with the current franchise operator, with a view to negotiating terms for them to continue operating the franchise for a further two years from April 2020. We expect to include an option for the Department to extend by a further period of up to two years, consistent with the recommendations of the independent Brown review of franchising in 2012. This provides flexibility to cater for circumstances that cannot be foreseen at this stage, and to adapt the franchising schedule to maintain a steady flow of competitions.
- 3.14 We are not at this stage ruling out the possibility of running a competition for a new franchise to start in 2020, and we will preserve the option to revert to a competition if we cannot negotiate substantial benefits for passengers with the existing operator at an acceptable price for taxpayers.

4. Key priorities for the franchise specification



Introduction

- 4.1 This Chapter sets out for consultation our emerging view of some specific priorities for the Great Western franchise specification through the 2020s, obtained through substantial discussions with stakeholders across the franchise area. We invite views on the priorities we have identified, and on which issues we should seek to progress most urgently within the anticipated two-year continuation period from April 2020. Where specifying particular enhancements could involve an increase in subsidy to the franchise or reduction in premium paid to government, we will need to be satisfied that the increased subsidy or premium foregone represents good value for money, and supports our long term objectives for the franchise.

Future train service and timetable development

Frequency enhancements

- 4.2 Our initial discussions with interested parties in the Great Western franchise area have identified a wide range of aspirations for frequency enhancements and other timetable improvements. In line with our normal approach, we will work closely with Network Rail to identify which aspirations could be feasible within the capability of the existing railway infrastructure without compromising performance, and which would require some form of physical infrastructure change. Our assessment will also need to consider compatibility with existing and likely future demand for freight services across the network.
- 4.3 Where potential frequency and other timetable enhancements are likely to be feasible within the existing infrastructure, we will also assess whether they are likely to provide sufficient benefits to justify any additional subsidy from the taxpayer, and would be affordable within the overall public funds available. We will use this analysis to inform the specification of our minimum train service requirements for the period from 2020 onwards.

CONSULTATION QUESTION 5:

- (a) Which routes do you believe could benefit from improvements to train frequencies?
- (b) What times of the day or week are these improvements needed?
- (c) Why?
- (d) If the only way of achieving earlier first trains or later last trains was to curtail services at other times of the week or year so Network Rail can carry out essential maintenance, what times would you suggest?

4.4 Where potential enhancements would require infrastructure change, it is unlikely that we could include them in the specification for a likely two year franchise term unless there is a clearly identified plan for funding and completing that infrastructure change. However, we believe that a key priority for the next franchisee should be to support the development of potential infrastructure enhancement schemes, including those promoted by local authorities or other third-party promoters, and to work with Network Rail on identifying sources of third-party funding. We will therefore consider how the specification for the next franchise can best support the development of locally-promoted enhancement schemes, focusing on those proposals that meet a clearly-identified local need, and that have realistic prospects of being prioritised by local funders and offering good value for money. Some examples are given below:

- Peninsula Rail Task Force (PRTF): A group comprising local authorities and local enterprise partnerships from across the south west peninsula, which has developed proposals around three key themes: resilience and reliability, faster journey times and connectivity, and sufficient capacity and comfort. Network Rail and the current franchisee have already been working together following publication of PRTF's "Closing the Gap" report and we will expect further collaboration to inform future infrastructure decisions in these areas.
- MetroWest: A scheme being promoted by the West of England Combined Authority (WECA), to provide half-hourly services at most local stations in the Bristol area, as well as restoring passenger services to Portishead and opening other new stations. Subject to the local promoters deciding to proceed with this scheme, we will work with them to deliver the planned service enhancements. We are also examining the potential for the new MetroWest services to be extended beyond their currently-planned termini, to serve Gloucester and Westbury. We will request proposals from the current franchisee to source the additional rolling stock that such extensions would require.
- Devon Metro: A scheme promoted by Devon County Council to improve local rail services around Exeter, by constructing some new stations and providing more frequent and regular services on routes serving Exeter.
- Okehampton: A scheme to start regular, year-round passenger services between Okehampton and Exeter, including a possible new station at Okehampton Parkway, as part of the wider "Devon Metro" concept. We will request proposals from the current franchisee to trial an all-week, year-round service on the Okehampton route.
- Tavistock and Plymouth Metro: Devon County Council is leading a project to re-open a 5.5 mile stretch of disused railway line between Bere Alston and Tavistock, to enable the introduction of rail services between Tavistock and Plymouth, and Plymouth City Council and local partners have begun to consider how such a scheme could form part of a wider 'Plymouth Metro' concept.



- North Cotswold Line Task Force: This recently-established Task Force draws together local authorities and other partners with an interest in the North Cotswold route between Oxford, Worcester and Hereford. It aims to develop proposals for faster and more frequent journeys to and from London.
- Bourne End: A scheme to remodel the track layout at Bourne End to enable a half-hourly direct service to operate between Maidenhead, Bourne End and Marlow.

4.5 There are also plans for a number of significant new rail links affecting the franchise which are likely to be completed in the 2020s, subject to decisions on funding. These are a new western link to Heathrow Airport, East-West Rail services between Oxford, Milton Keynes and Bedford, and a new interchange station with High Speed 2 and Crossrail services at Old Oak Common. We would expect to require the franchisee to co-operate with and support the development of these proposals.

CONSULTATION QUESTION 6:

- a) Are you promoting a scheme for a new station or line which has a realistic prospect of being funded? If so, please provide brief details here
- b) What actions would you like the franchisee to undertake in order to support the development of this scheme?

Early morning, late evening and weekend services

4.6 Across the franchise area there are a number of routes where stakeholders have identified a need for:

- Earlier first trains or later last trains;
- Retention of ‘daytime’ frequencies further into the evenings;
- Significant enhancements to weekend services, especially on Sundays, where the train service may have failed to keep pace with wider changes in people’s travel patterns at weekends; and
- On routes dominated by seasonal holiday traffic, additional services at quieter times of year when a reduced service currently operates, reflecting greater overall demand and longer tourist seasons.

4.7 Together with Network Rail, we will review early, late and weekend service levels across the franchise and examine the case for specifying enhancements where existing service levels appear inadequate, and will consider whether we will require the operator to work with Network Rail to optimise the time required for engineering access.

Reducing journey times

4.8 As set out in Chapter 1, the introduction of new intercity trains will enable improvements in journey times on key long-distance routes during the term of the current franchise. There are also aspirations for further journey time improvements on some routes. We will explore the potential for any of these to be achieved within the proposed term of the next franchise, but in many instances such improvements would require either infrastructure change (usually dealt with through Network Rail’s business planning process) or significant reform to service structures.

4.9 One prominent example is the Peninsula Rail Task Force’s (PRTF) aspiration for faster journeys between London and the south west peninsula. The current franchisee is already working closely with Network Rail to identify opportunities for incremental gains to journey times through targeted infrastructure interventions, though such opportunities would require new funding to implement. We would expect to see such collaboration continue, and ideally increase further.

4.10 We are also aware that the PRTF’s aspirations have led to concerns that longer-distance journeys might in future be accelerated by omitting calls at intermediate stations along the route. In the first instance, we are therefore starting to explore whether there is any scope for longer-term changes to planned service structures that could enable faster longer-distance journeys, while also maintaining planned service frequencies at intermediate stations. We are also inviting views on how we can best strike the right balance between the interests of longer-distance passengers and users of intermediate stations along the route.

CONSULTATION QUESTION 7:

- a) Do you agree or disagree with reducing journey times to destinations in the South West by reducing stops at intermediate stations?
- Agree
 - Disagree
 - No opinion

- b) Which services or stations would benefit or be disadvantaged by this approach?

Why?

- c) Are there any specific locations or routes elsewhere where it could be appropriate to reduce station stops in order to speed up longer-distance journeys?

Why?

Direct links and connections

- 4.11 Whilst passengers value being able to make direct journeys, some direct journeys may be provided more for operational reasons than because an identified market exists, e.g. linking of services together across Bristol between Great Malvern, Cardiff, Gloucester, Westbury, Weston-super-Mare, Taunton and Weymouth. In these cases, we are unlikely to perpetuate such cross-city linkages, and allowing the next franchisee flexibility to modify service patterns could be important in supporting future service improvements and efficient operations.
- 4.12 However, we recognise that there may be aspirations for a wider range of direct journey opportunities, particularly to and from London, and could require the franchisee to develop proposals for these for possible implementation in the franchise from 2022.
- 4.13 Where it not feasible to provide direct services, we will expect the franchisee to consider providing suitable connections between their own services where possible, e.g. between main line and branch line services in Devon and Cornwall. Where connections may be between different operators, we propose to build on the approach used in recent franchise competitions to seek greater collaboration with other operators and local stakeholders to identify the connections that matter most to passengers, and to coordinate their timetables where practicable to provide convenient connections.

CONSULTATION QUESTION 8:

a) Which direct services such as those described above should be preserved in the next franchise?

Why?

b) Are there any other stations between which you feel direct services should be provided?

Why?

c) At which locations should connections between different services be improved?

Why?

Seasonal and other exceptional demand for travel

4.14 Many routes served by the Great Western franchise experience substantial fluctuations in demand, e.g. during summer and other holiday periods, or associated with Christmas shopping, such as Bath or Bristol Christmas markets.

4.15 For predictable, seasonal variations in travel demand, we anticipate that the train service specification for the next franchise will include some specific requirements, e.g. for changes to service patterns to reflect summer patterns of demand, continuing the current practice, unless there is a good reason to do anything differently.

4.16 For special events, it is not feasible to include specific requirements about every event that might take place across such a wide franchise geography, but we will strengthen the requirement for the next franchisee to have a clear plan for how it will meet the needs of passengers travelling to and from special events, working with event organisers, the police and other local partners.

CONSULTATION QUESTION 9:

What additional seasonal train services do you consider to be particularly important to retain or improve in the next franchise?

Why?

CONSULTATION QUESTION 10:

What other train service enhancements do you believe should be considered for inclusion in the next franchise?

Why?

CONSULTATION QUESTION 11:

If you are a freight operator or represent the freight industry, please set out your expectations of likely future demand for freight capacity across the routes served by the franchise.

Seats and space for passengers

- 4.17 Passenger satisfaction surveys and discussions with stakeholders identify crowding as a key concern with the Great Western franchise. Current levels of crowding on some routes can be a significant barrier to further growth in passenger numbers, including in places where many people currently choose to travel by car. Therefore, there may be significant “suppressed demand”, i.e. passengers who would be willing to travel by rail if there was space for more passengers to travel in comfort. Whilst the changes being introduced as part of the existing franchise up until 2020 will provide significantly more seats and space for passengers, it is likely that rising demand beyond this will require additional rolling stock.
- 4.18 We propose that a key priority for the specification for the franchise through the 2020s should be to provide sufficient space for passengers, and to stimulate and accommodate future growth, and we would expect the franchisee to make progress against that objective during the two-year continuation period. We will also consider whether there is a case for providing additional carriages on the Paddington – Penzance ‘Night Riviera’ sleeper, which stakeholders have told us is often very busy.

Rolling stock

- 4.19 By the end of the current franchise, a substantial amount of new rolling stock will have been introduced and some of the oldest trains currently operating on the franchise will have been replaced by more modern ones. Nevertheless, some of the trains which will remain at the end of the franchise were introduced in the late 1980s and early 1990s, and will therefore be approaching the end of their intended design life during the 2020s. A key issue for the franchise, therefore, will be to ensure that all rolling stock on the franchise meets modern standards of design, comfort and on-train facilities. For the older fleets remaining on the franchise, we envisage this requiring significant modernisation if they are to continue operating long into the 2020s.
- 4.20 Passenger expectations regarding the quality of rolling stock and the facilities provided are also rising, e.g. the provision of reliable free wi-fi and mobile connectivity has been highlighted by a number of stakeholders, and the provision of on-board CCTV is becoming more widespread as a means of helping to reduce crime and anti-social behaviour and enabling passengers to feel safer.



- 4.21 We propose requiring the franchisee to identify, assess and advise on the options for the long-term future of the older diesel fleets that will remain in operation on the franchise after 2020, taking account of projected increases in demand and passengers' expectations of a high-quality on-train passenger environment with modern facilities. We will also seek significant improvements in mobile connectivity across the franchise, including the introduction of minimum service levels for train-to-internet connectivity.
- 4.22 There are also differing views on the provision of First Class accommodation. In particular, there is a trade-off between providing First Class accommodation for those who want it, and providing sufficient seats and space for other passengers. Some stakeholders have also suggested that First Class accommodation could be appropriate for middle-distance services which do not currently provide this, subject to sufficient space being retained for standard-class passengers.

CONSULTATION QUESTION 12:

- a) What do you think are the main priorities that we should seek to address in relation to rolling stock?
- b) Are there any routes which do not currently have First Class accommodation where you think it should be provided?
- c) Should the franchisee provide specific services and facilities for a) business travellers or b) families travelling with children or c) other passengers?
- d) If yes, please provide more information on what you think should be provided
- e) What benefits or disadvantages do you think innovative technologies for rolling stock, e.g. hydrogen or battery power, could bring?
- f) Are there any routes which would be particularly suitable for these types of innovative technology?

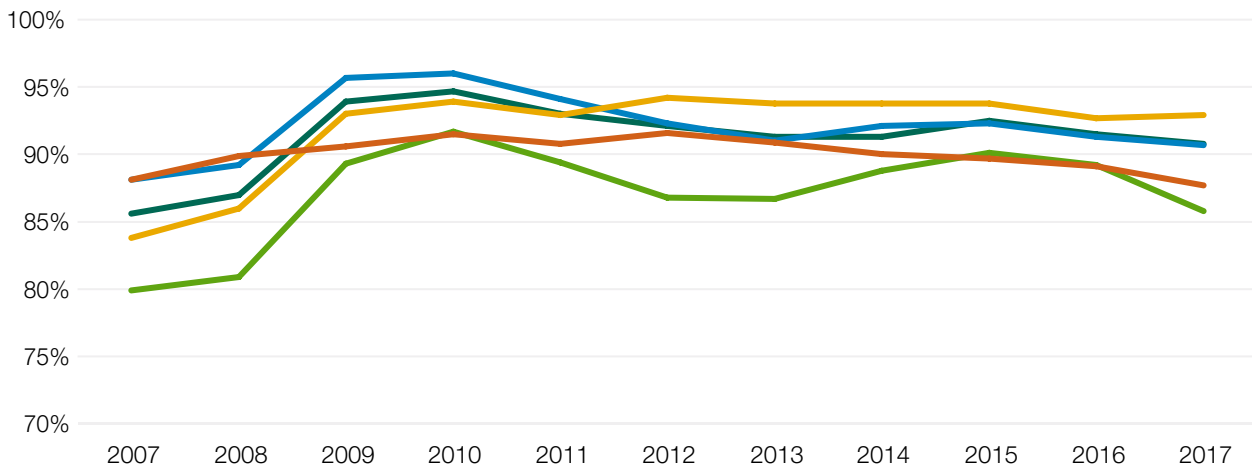
Reliability, punctuality and resilience

4.23 Passenger surveys show punctuality and reliability as key priorities for passengers on the Great Western franchise and across the rail network. Punctuality of train services is assessed against a measure that shows the percentage of trains that arrive at their destination within five minutes of the timetabled arrival (or within ten minutes for long distance services), and is known as the Public Performance Measure (PPM). The following table and graph show the performance of the franchise for the 12 months until 31 March 2017 and performance over time, compared with data for relevant national sectors, both for the franchise as a whole and broken down by service group (Source: ORR).

Public Performance Measure (year to March 2017)

Overall Great Western franchise: 88.4%	All franchised operators: 91.0%
Thames Valley: 88.3%	London & South East: 89.3%
High Speed: 83.4%	Long Distance: 90.6%
West Regional: 91.7%	Regional: 93.8%

Public Performance Measure (2007 to 2017)



Great Western PPM

— Great Western
 — High Speed
 — Thames Valley
 — West Regional
 — National

4.24 It can be seen that punctuality and reliability improved sharply in the early years of the franchise, but has been declining slowly over recent years, particularly as the network has become busier and during the significant upgrade work being carried out on many parts of the franchise area. Maintaining good standards of performance will continue to be a challenge which the franchisee will need to work with Network Rail to address.

4.25 We propose to specify challenging but realistic targets for the franchisee, based on the measures currently being developed by the industry for monitoring punctuality and reliability performance during the next regulatory Control Period (2019-2024), and including targets for short formations. It is likely that we would include financial incentives to give the franchisee a direct commercial interest in meeting or exceeding those targets. We propose to seek commitments to maintain and improve the resilience of the franchise’s operations in the next franchise period, e.g. by ensuring that it has appropriate contingency plans agreed with Network Rail and can implement them quickly in the event of disruption, as well as working collaboratively with Network Rail to support their work to improve the resilience of the physical infrastructure.

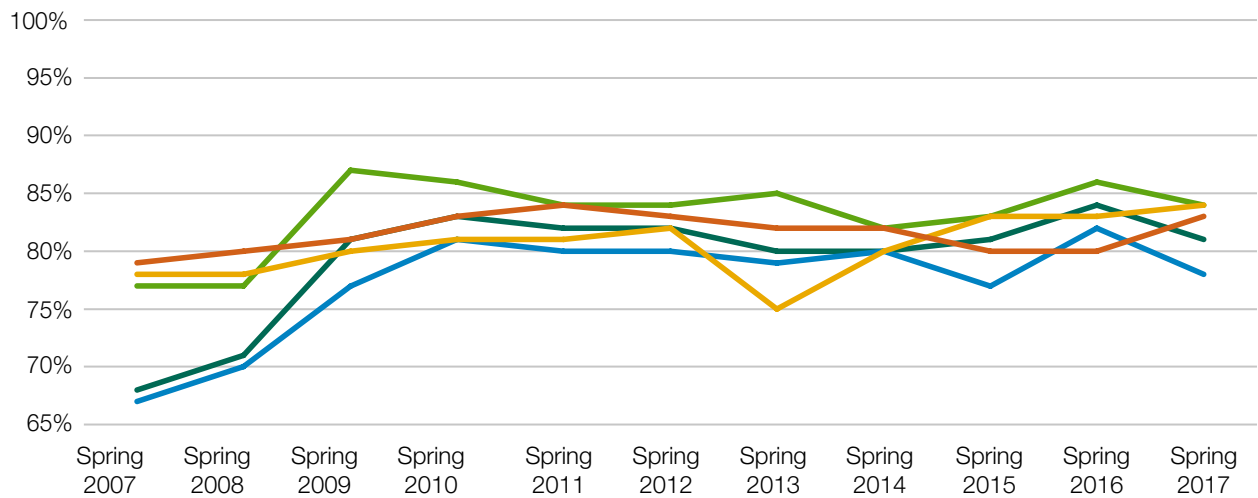
The customer experience and stakeholder engagement

4.26 We want to see franchisees putting passengers’ needs at the heart of their business. Passenger satisfaction is measured by the twice-yearly National Rail Passenger Survey (NRPS), carried out by Transport Focus. The following table and graph show satisfaction with Great Western services in the Spring 2017 survey, and over time, compared with data for relevant national sectors, both for the franchise as a whole and broken down by service group (source: Transport Focus)

Overall Passenger Satisfaction (spring 2017)

Overall satisfaction with GWR services: 81%	All franchised operators: 83%
Thames Valley: 78%	London & South East: 82%
High Speed: 84%	Long distance: 89%
West Regional: 84%	Regional: 87%

Overall Passenger Satisfaction (2007 to 2017)



Great Western passenger satisfaction

— Great Western
 — High Speed
 — Thames Valley
 — West Regional
 — All TOCs

4.27 It can be seen that satisfaction rose during the early years of the franchise, but has since remained closer to the all-operator average.

4.28 Passengers’ expectations are rising, for example expecting to be consulted and informed on decisions which affect them and priorities for future development. Passengers also value the visible presence of staff on trains and at stations, and being provided with accurate and relevant information during disruption and fair compensation when things go wrong.

- 4.29 We expect to specify standards for passenger satisfaction, including specific benchmarks for the areas which passengers have told us matter most to them, in line with those included in recent franchise competitions. We will consider requiring measures for gathering more detailed and frequent information on passenger satisfaction and sentiment, and for providing better information for passengers, particularly during disruption. In the event that the Delay Repay compensation scheme (including compensation for delays of 15 minutes and above) has not been introduced by the end of the current franchise, we will require proposals for it to be introduced during the continuation period. We will also require publication, at least twice a year, of regular Customer Reports and a Customer and Stakeholder Engagement Strategy that shows how the franchisee will engage with passengers and ensure that business decisions take account of the findings from that engagement.
- 4.30 We propose that the franchise specification should also require the franchisee to maintain and further improve its approach to stakeholder engagement of having dedicated Regional Development Managers, including ensuring sufficient high-quality staff are dedicated to this activity, and demonstrate how this engagement influences business decisions. We would expect the franchisee to make funding available to deliver Customer and Communities Improvement Schemes, maintaining similar arrangements to those provided within the current franchise.

Understanding the needs of passengers with disabilities

- 4.31 Passengers with disabilities can face significant challenges when travelling by rail, and at various stages of their journey. We are determined to continue making progress in breaking down these barriers to disabled people’s confidence in using rail transport.
- 4.32 We propose to seek commitments in the franchise for high-quality disability awareness training for public facing staff, recognising that there is a wide range of disabilities, not all of which are visible, and in being aware of the differing needs of individuals with different forms of disability. We will seek commitments for high-quality consultation specifically with disabled passengers, more systematic monitoring and reporting of the quality of service provided to passengers with disabilities and plans to act on the results of such reports. We will expect the franchisee to develop proposals for improving accessibility to and within stations.

CONSULTATION QUESTION 13:

- a) Which stations do you think should be a priority for improving accessibility?
- b) Why?
- c) What other improvements could help to make rail services easier to access and use for all passengers?

Stations

4.33 Stations, and the journey to and from them, are a key component of passengers' overall journey experience. Stakeholders have highlighted a number of areas where the franchise specification could focus attention:

- Improving station facilities. This includes the provision of seating, shelters, accurate, up-to-date information, improving accessibility for those with disabilities to and within the station, improving designs to allow a greater throughput of passengers, and maintaining safety and security.
- Improving car and cycle parking, particularly where a shortage of car parking spaces may be acting as a barrier to future growth, and a greater provision of electric car charging points.
- Improving access for pedestrians and cyclists, with clear direction signs and safe, well-lit routes.
- Improving accessibility, physical interchange and co-ordination between rail services and other modes of transport.
- Working with local communities to bring disused station buildings back into community use, e.g. as cafes or community hubs.
- Co-operating with local authority schemes for station improvements and redevelopment of the areas surrounding stations.



- 4.34 We will consider the case for requiring the franchisee to set aside funds for station improvements, as we have done in some recent franchise competitions, and whether a portion of this should be dedicated for improvements at smaller stations.
- 4.35 We would also expect the franchisee to co-operate with locally-promoted schemes for station improvements and improvements to the areas around stations, and to continue work on developing station ‘master plans’ for some stations.
- 4.36 We expect to require the franchisee to develop proposals for better co-ordination with other transport modes, building on the approach used in recent franchise competitions, and will consider the case for encouraging the franchisee to develop and update more Station Travel Plans and make better use of them, in consultation with passengers and other local stakeholders. We will consider whether we should require the franchisee to provide more electric car charging points.
- 4.37 We will expect the franchisee to continue to improve security at stations, including areas such as staff awareness, availability of CCTV coverage and engagement with the Secure Stations Scheme.

CONSULTATION QUESTION 14:

- a) Do you think these are the right priorities for stations in the new franchise?
- b) Which priorities would you change or add, and why?
- c) At which stations do you think co-ordination between transport modes could be improved?
- d) How do you believe these areas could be improved, e.g. through timetabling connections or through physical works at the location?
- e) What do you believe are examples of best practice elsewhere which could be relevant for stations on the Great Western franchise network?

Fares, ticketing and marketing

- 4.38 Fares-setting on the future Great Western franchise will largely be driven by national fares policy. At present, approximately 45% of Great Western ticket revenue comes from fares that are regulated, for which individual fare increases are currently capped at inflation, as measured by the Retail Prices Index. Other aspects of the fares and ticketing regime are also guided by national policy, to maintain consistency across the national network, but the franchise specification could encourage or require the franchisee to:
- Develop and promote the use of smart cards, contactless payment cards and mobile ticketing, and the range of tickets available by these means;

- Develop a wider range of tickets integrated with local buses and other modes, including co-operation with local authority smartcard schemes;
- Provide more ticket vending machines and ensure that these will offer the full range of fares available, in particular making these easier to use and making it easy to understand which is the most appropriate fare for the journey being made;
- Address any anomalies in current fares arrangements, e.g. where fares on some routes might, for historical reasons, be being set by an operator who does not operate those routes, or are based on historical splits between different service groups;
- Promote a wider range of local tourist attractions, e.g. through joint marketing and joint ticketing arrangements

CONSULTATION QUESTION 15:

a) Do you agree or disagree with these priorities for i) fares and ii) ticketing?

- Agree
- Disagree

Which priorities would you change or add, and why?

b) What changes to the fares structure could be of benefit to you?

Community Rail Partnerships

4.39 There are a number of Community Rail lines on the Great Western franchise, with some routes showing significant increases in passenger numbers following improvements to services promoted by the relevant Community Rail Partnership (CRP).



- 4.40 The current franchisee has provided active support for these Community Rail lines, e.g. by providing direct funding and additional funds for specific projects through the Customer & Communities Improvement Fund. The current franchisee also employs a full-time member of staff to work with the CRPs in the franchise area.
- 4.41 The Department strongly supports Community Rail, and has sought to promote an increase in community rail activity through recent franchise specifications. We see this as essential in further building and cementing public trust in the railway, and will build on the excellent community work that the current franchisee already does.
- 4.42 We propose to maintain, and, subject to affordability, increase the funding made available by the franchise to support community rail activities and the number of staff dedicated to engagement with the community rail sector. We also recognise the need to ensure that the process of accessing funding is as simple as possible, while ensuring good value from the money spent.

CONSULTATION QUESTION 16:

What more do you feel that the franchisee could be doing to help the Community Rail sector increase its contribution to society and the railway, for example in harnessing local community relations and outreach into the community?

Investing in the workforce and wider industry skills

- 4.43 Feedback from stakeholders has generally been positive regarding the knowledge and helpfulness of the current franchisee’s staff. We would wish to maintain and develop this strength. We want to ensure that people working on the franchise have the information, training and tools they need to assist and communicate effectively with all passengers, an environment they are proud of and enthusiastic to work in, and a genuine stake in the success of the railway in delivering for passengers. We also want to ensure that the franchise continues to play its part in supporting the wider development of skills across the rail industry.
- 4.44 We propose that the franchisee should be required to have a clear workforce strategy, including:
- Investing in the workforce, maintaining high levels of staff morale and trust in the business, ensuring that staff are well-motivated to provide a visible, high-quality service and to communicate effectively with passengers, and have the right equipment, support and training in order to do this
 - A commitment to wider rail industry skills development, including by creating apprenticeships in engineering and other disciplines and by seeking to attract under-represented groups, and investing in the skills and abilities of front-line managers

- Addressing work-life balance and other employee well-being issues, including mental health, in all sections of the workforce
- Resourcing plans that ensure sufficient front-line staff are available to operate the full timetable, even in challenging operating circumstances.

CONSULTATION QUESTION 17:

What more should the franchise do to invest in the workforce and wider industry skills?

Environmental impact

- 4.45 Rail franchises have an important part to play in helping to meet environmental objectives, both by providing people with an attractive alternative compared to other, more polluting modes of transport and by reducing their own environmental impact, e.g. by improving on-train or at station recycling.
- 4.46 We propose that the franchise specification should include commitments to set and monitor performance against benchmarks for carbon dioxide emissions resulting from the operation of the trains themselves, non-traction energy consumption, waste to landfill and water consumption.

Conclusion

- 4.47 This Chapter has identified a substantial number of potential priorities to be addressed through the 2020s. We need to consider which of these priorities should be addressed most urgently during the two-year continuation period from April 2020, as well as those that we should seek to pursue in the longer term. We would face a similar choice if we were running a competition for the franchise from 2020, as there is a limit to how much any franchise – whether competed or not – can deliver in a two-year period.

CONSULTATION QUESTION 18:

- a) Are there any other priorities you would wish to see addressed?
- b) Which of the priorities identified in Chapter 4 do you think should be pursued most urgently in the period between 2020 and 2022?
- c) What initiatives not currently offered can, in your opinion, be provided through improved technology to meet the changing requirements of passengers?
- d) In what ways do you think that the franchise could promote equality of opportunity for people with:
 - disabilities?
 - other protected characteristics within the meaning of the Equality Act 2010?
- e) Do you have any other comments?

5. Responding to the consultation



Issue date and deadline

- 5.1 This consultation was published on 29 November 2017 and will close on 21 February 2018.

Additional copies

- 5.2 Additional copies are available online and can be downloaded from www.gov.uk/dft
- 5.3 Further copies of this consultation document, along with alternative formats (e.g. Braille or audio CD) are also available by emailing GWconsultation@dft.gsi.gov.uk

Responding online

- 5.4 You will probably find it most convenient to submit a response online. Please visit www.gov.uk/dft to submit your response.

Other ways to respond

- 5.5 If you choose not to use the online system, for example because you use specialist accessibility software that is not compatible, you may download a Word document version of the response form from the address above and email or post it to:
- Email: GWconsultation@dft.gsi.gov.uk
 - Post: Great Western Franchise Consultation, Department for Transport, Zone 4/19, Great Minster House, 33 Horseferry Road, London, SW1P 4DR
- 5.6 Please make sure that your response reaches us by the closing date, as we will not be able to consider responses received after this date.
- 5.7 When responding, please tell us whether you are acting as an individual member of the public, or representing the views of an organisation or group. If responding on behalf of a larger organisation, please make it clear who the organisation represents and, where applicable, how the views of its members were agreed. If you are responding as an individual, any personal details you are able to provide will help strengthen the evidence base as we develop our proposals and respond to the suggestions made. This includes:
- The first half of your postcode
 - Your nearest station (not necessarily the one you use most frequently)
 - Which service group, as described in paragraph 1.1, you most often use

5.8 When we are looking at your replies, and deciding on the specification for the continuation period, we will have regard to the public sector equality duty created by the Equality Act 2010, which requires that public bodies have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out their activities. For more information, please see <https://www.gov.uk/guidance/equality-act-2010-guidance>

Freedom of Information and Data Protection

5.9 Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the Freedom of Information Act 2000 (FOIA) or the Environmental Information Regulations 2004.

- If you want information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence.
- In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information, we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department for Transport.
- We will process your personal data in accordance with the Data Protection Act 1998 and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties. Individual consultation responses may be shared with the current franchisee (and/or bidders in any future franchise competition) in an anonymised format to assist them in the development of their proposals for the future franchise.
- By providing personal data in response to this consultation, you consent to the Department for Transport, or third parties contracted to the Department for Transport, processing your personal data for the purpose of analysing responses to this consultation.
- It would be very helpful to the Department for Transport if, as part of its analysis of responses to this consultation, it was able to take into account certain sensitive personal data that you may wish to provide in response to this consultation, for example details of any disability you have. In providing your responses to the Department for Transport by email or post please indicate whether you consent to the Department for Transport, or third parties contracted to the Department for Transport, processing your sensitive personal data for the purposes of analysing responses to this consultation.

Consultation principles

- 5.10 This consultation is being conducted in line with the government's consultation principles.
- 5.11 Further information is available at:
www.gov.uk/government/publications/consultation-principles-guidance
- 5.12 If you have any comments about the consultation process please contact:
Consultation Co-ordinator, Department for Transport, Zone 1/29, Great Minster House,
33 Horseferry Road, London, SW1P 4DR or mail: consultation@dft.gsi.gov.uk
- 5.13 The reference number for this consultation is: DfT-2017-21

6. Next steps



- 6.1 Once the consultation has closed, we will review the responses and publish a summary. The responses will inform the development of a “Request for Proposal”, the formal document in which we will set out our requirements for the two-year continuation period from April 2020 and invite the existing operator to submit its proposals for meeting those requirements. We aim to issue this to the existing franchise operator in mid-2018.
- 6.2 In developing our requirements for inclusion in the Request for Proposal, we will need to consider:
- Consistency with our objectives for the franchise (a draft of which is included in Chapter 2 above) and the views expressed in this consultation.
 - Feasibility: We need to be satisfied that our specification will be deliverable, taking account of the overall capability of the railway infrastructure.
 - Value for money: Where specifying particular enhancements could involve an increase in subsidy to the franchise or reduction in premium paid to government, we will need to be satisfied that the increased subsidy or premium foregone represents good value for money. While we assess value for money using standard rail industry and public sector forecasting and appraisal frameworks, we will also take into account of how proposed enhancements support our long term objectives for the franchise (see Chapter 2).
 - Affordability: Having identified enhancements that are feasible and offer good value for money, we will need to ensure that the package of proposals for the continuation period is affordable given the overall funding available to the Department.
- 6.3 Having received the operator’s proposals, we would evaluate them and seek to negotiate mutually-acceptable terms. Our aim would be to secure agreement towards the end of 2018. However, if it becomes clear that we are unable to agree on terms that offer substantial passenger benefits at an acceptable cost to the taxpayer, we will retain the option to proceed with a competition for a new franchise to begin in April 2020.