

**Open Report on behalf of Andy Gutherson,
Interim Executive Director for Place**

Report to:	Highways and Transport Scrutiny Committee
Date:	11 March 2019
Subject:	Rail Update

Summary:

This report updates the Committee on rail issues across Lincolnshire. In particular, it highlights the position on the various rail franchises which cover the county and the service improvements which are expected to be delivered. The report also provides an update on the ongoing Williams Rail Review into the structure of the rail industry due to report later this year.

Actions Required:

Members of the Highways and Transport Scrutiny Committee are invited to consider the report and comment on any issues of concern.

1. Background

- 1.1 The rail industry nationally continues to face considerable uncertainty due to the wide range of issues it has faced in recent months and years. These include:
- severe problems arising from the major timetable changes introduced in May 2018
 - a shortage of rolling stock nationally, together with delays to the delivery of new rolling stock
 - delays to major infrastructure improvements on the network
 - continuing industrial action
- 1.2 In many parts of the country, rail travellers are continuing to experience long delays, short notice cancellations and regular over-crowding. As a result, public confidence in the industry is extremely low and there is some evidence to suggest that users are switching to other modes of travel instead.
- 1.3 The situation in Lincolnshire is perhaps not quite as bad as other parts of the country. The latest station usage figures produced by the Office of Road and Rail (ORR) show some 5,455,900 passengers using the county's

stations during 2017/18, an increase of 2.1% over 2016/17. In the last 10 years, the total growth has been 27.8%.

- 1.4 The following paragraphs outline the current position in respect of the rail franchises which operate in Lincolnshire.

East Coast Main Line Franchise

- 1.5 The franchise to run services on the East Coast Main Line (ECML) was awarded to Virgin Trains East Coast (a partnership between Virgin and Stagecoach) in March 2015. This included additional direct Lincoln-London services scheduled to commence in May 2019, providing 6 services each way at roughly 2-hourly intervals during the main part of the day.
- 1.6 However, the franchisee once again ran into financial difficulties (as had happened on two previous occasions) and in November 2017, the Secretary of State intervened. This resulted in the franchise being brought back in-house in June 2018 to be operated by the newly formed LNER Ltd, a government-owned company.
- 1.7 Initially, the government position was that they still expected to deliver the enhanced Lincoln-London services in May 2019. More recently, technical problems have been found during the testing of the new Hitachi Azuma trains due to be used on the ECML, in particular interference with line-side signalling equipment when running in electric mode. This has resulted in delays to the introduction of the Lincoln-London services. The most recent position in response to questions in the House of Lords is that the services are now expected to commence in September 2019, although this is subject to Network Rail approval.

Northern Franchise

- 1.8 The Northern Franchise was awarded to Arriva Rail North in April 2016. This franchise includes the Lincoln-Gainsborough-Sheffield line and the Saturday only Brigg line (with just 3 services each way between Sheffield and Cleethorpes).
- 1.9 As part of the service improvements, vastly improved Sunday services were introduced in December 2017 (up from 4 each way to 13/14 each way). In addition, direct Lincoln-Leeds services began in May 2018 with improved rolling stock.
- 1.10 Proposals to introduce new hourly weekday services into Gainsborough Central station from Sheffield/Retford were delayed due to the late completion of electrification in the Manchester area which would have enabled the cascade down of the required diesel trains. These services are now planned to start in May 2019. At the same time, many of the Lincoln-Sheffield-Leeds services will see a reduction in journey time of around 10 minutes.

- 1.11 An ongoing issue across the Northern franchise has been long-term industrial action, primarily against the use of driver-controlled or driver-only trains. This resulted in a much reduced Saturday services across the whole of the Northern franchise area, including on the Lincoln-Sheffield line (where a limited services has been running) and the Brigg line (where no services have operated). However, in early February, the industrial action was suspended following the involvement of ACAS, with Saturday services recommencing on 16th February. Discussions between Northern and RMT to reach agreement on future operating models are continuing.
- 1.12 From December 2019, the Leeds-Sheffield-Lincoln services are due to be branded as 'Northern Connect' services, along with other services linking the major urban areas across the North. These are due to be run using brand new rolling stock currently under construction.

East Midlands Franchise

- 1.13 The East Midlands franchise covers the majority of Lincolnshire's rural rail services and, after some delay, is currently in the process of being re-let. The three bidders (Abellio, Arriva and Stagecoach) submitted their bids in September 2018 and DfT are due to announce the winners in April 2019, with the new franchise starting in August 2019.
- 1.14 As reported to the Committee in September 2017, the authority has engaged with both DfT and the bidders throughout the re-franchising process. It was therefore encouraging to see the DfT Invitation to Tender include various improved services for Lincolnshire within the Train Specification to be delivered by December 2021 at the latest. These include:
- the service between Lincoln and Doncaster to become hourly (currently just 5 trains each way), which coupled with the early morning/late evening increases takes it to 16 trains a day each way.
 - the Lincoln-Grimsby service also becomes hourly, taking it from 7 and 6 train each direction to 16 and 17, again with earlier/later services. This is good news for Market Rasen where there have been regular overcrowding problems.
 - the Lincoln-Peterborough line also becomes hourly, rising from 8 trains each way to 15, again with later/earlier services.
 - the franchise now includes a direct reference to the need to support service into Skegness during the summer, which was previously missing and left to the operators discretion. The Lincoln Xmas Market is similarly mentioned.
 - there is a requirement for the franchise to time the 2-hourly Lincoln-Newark North Gate services in between the proposed direct 2-hourly Lincoln-London services to give, in effect, an hourly Lincoln-London service.

- 1.15 At this stage, it is not known how much further beyond the ITT requirements the winner bidder will go to provide additional services which have been lobbied for e.g. Sunday services between Lincoln and Peterborough along the Joint Line.

Cross Country Franchise

- 1.16 The Cross Country franchise provides the vast majority of the rail services through Stamford. As part of the renewal of the franchise, DfT carried out stakeholder consultation during 2018. However, the renewal of the franchise has now been put on hold pending the outcome of the Williams Review (see below).

Williams Rail Review

- 1.17 Following the major problems experienced within the rail industry during 2018, the Secretary of State for Transport announced a "root-and branch review of the rail industry" to be led by Keith Williams, deputy chairman of John Lewis and Partners and former chief executive of British Airways. The overarching aim of the Review is to identify the most appropriate organisational and commercial framework for the rail sector to support the delivery of the government's vision for rail.
- 1.18 The review's principles as set out in its terms of reference are:
- commercial models for the provision of rail services that prioritise the interests of passengers and taxpayers
 - rail industry structures that promote clear accountability and effective joint-working for both passengers and the freight sector
 - a system that is financially sustainable and able to address long-term cost pressures
 - a railway that is able to offer good value fares for passengers, while keeping costs down for taxpayers
 - improved industrial relations, to reduce disruption and improve reliability for passengers
 - a rail sector with the agility to respond to future challenges and opportunities

The review's remit does not include the infrastructure and services that should be provided by the railway.

- 1.19 As a first step, the review has invited stakeholders to submit any evidence they wish to. It is then expecting to publish some initial ideas/thought for consultation in late February/early March. The Review's final report will be a government White Paper, which will be published in autumn 2019. This will set out the government's intentions for reform of the rail sector.

2. Conclusion

The rail industry has gone through considerable turmoil in the last few years. Public confidence in the industry is low, with many users experiencing long delays, cancelled trains and over-crowding on a regular basis. This has led the Government to set up the Williams Review to look at how the industry should be reformed to deliver its vision for rail.

In the meantime, improved services in Lincolnshire are scheduled to be delivered through the existing and proposed franchises as outlined in this report.

3. Consultation

a) Have Risks and Impact Analysis been carried out?

No

b) Risks and Impact Analysis

Not applicable

4. Background Papers

Document title	Where the document can be viewed
Highways & Transport Scrutiny Committee - 18 Sept 2017 - Rail Franchising paper	www.lincolnshire.gov.uk

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