



The County Economic  
Development Partnership

Charles House,  
Prince of Wales Road,  
Norwich NR1 1DJ

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Contact: [chris.starkie@shapingnorfolksfuture.org](mailto:chris.starkie@shapingnorfolksfuture.org)

Dear Sir,

**Re: Reforming Rail Franchising consultation**

Thank you for the opportunity to respond to this consultation, which offers some helpful proposals for the way forward for rail franchising.

Shaping Norfolk's Future is the private sector led economic development partnership for the county, with a clear goal of creating jobs and wealth for the people of Norfolk.

Norfolk's relative geographic isolation means that the county has suffered from historic investment in its infrastructure, in particular in its roads and rail networks which fall low down the national list of priorities.

On the other hand, when given the chance to innovate, Norfolk has seized the opportunities, for example through its pioneering community rail partnerships, which have grown traffic on the county's network of rural lines.

Therefore we are supportive of measures proposed in the consultation document which will enable greater levels of investment and greater flexibility which will give successful rail operators greater incentive to increase service provision.

However this needs to be balanced with the risk that too limited a base specification will not guarantee a basic level of service. The correct balance therefore must be struck.

In addition we would like to see more included about the role of stakeholders, including local authorities and other partnerships, in helping shape and inform franchise specification.

You will also be receiving a separate response from the Great Eastern Mainline vision group – which brings together local authorities and other partners from across East Anglia – and we would see a formal role for groups such as this.

Below we have answered in more detail some of the specific questions raised by the consultation document.

#### Franchise specification

Shaping Norfolk's Future supports the model of franchise specification put forward. However in giving rail operators greater flexibility, consideration does need to be given to ensure a base level of service.

We believe this would need to be more detailed than that which is being proposed, particularly issues such as catering, first and last trains and rolling stock.

Flexibility therefore needs to be above the base level of service.

#### Franchise length

We are very supportive of longer franchises, and there are some good examples of longer franchises generating benefits for customers eg C2C and Chiltern. We would like to see minimum 15 year franchises, with suitable break clauses built in to deal with poor performance etc.

However the carrot of a longer franchise must ensure that significant investment in rolling stock etc is part of the overall deal.

In other words, there need to be clear benefits in terms of investment in return for longer franchises.

#### Affordability figure

We support this suggestion.

#### Franchise procurement

We would like to see greater involvement from stakeholder groups. Local authorities and groups such as Shaping Norfolk's Future have detailed knowledge of the needs of passengers and a detailed understanding of the local economy which would prove helpful in franchise development, and in the longer term management of the franchise itself.

### Revenue risk

We believe risks should be shared by Government and the rail operator. Proposal B seems the most pragmatic and straightforward approach.

However we also support the idea of review points and the independent mechanism outlined in approach C1 seems sensible.

### Franchise investment

The greatest prize for re-modelling franchises is to unlock additional private sector investment.

We therefore welcome suggestions 4.43 and 4.44 and are particularly encouraged by the concept of residual values.

However the process would need to be carefully thought through to ensure that this would not prove a barrier to future investment.

One particular concern we have is the artificially large gap between the cost of new rolling stock and the cost of refurbishment.

We would like to see greater incentives for investment in new rolling stock, rather than refurbishment of older stock.

We support 4.45 which links delivery of investment with extensions to franchise periods, which we believe is a must.

Allowing rail operators to invest in rail stations is positive, but should not lead to them losing their focus on running services.

### Cost control and efficiency

Suitable incentivisation needs to be woven into the franchise, with for example the opportunity to retain additional revenue if targets are met and financial penalties for failure.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Dr. Barry', with a stylized flourish at the end.

Peter Barry  
Chairman – Shaping Norfolk's Future, Transport Forum  
Managing Director – Pasta Foods