## Statement to Parliament: West Coast Partnership

With your permission I would like to make a statement about the future of the West Coast Main Line, about our plans for the integration of track and train on our railways and our plans for the transition to the operation of HS2 as it opens up in 2026.

I have already set out for the House our plans to bring the operation of track and train together on a day to day operational basis around the country, with the creation of new alliances between Network Rail and the train operators on South Eastern and Midland Mainline, and the strengthening of the existing alliance arrangements on South Western and Southern.

I have also set out our plans for a new partnership between the public and private sectors to operate the East Coast mainline.

Today I want to explain how this approach could start to inform the development of the West Coast Mainline and HS2. I am also today publishing the <u>invitation to tender to be the new West Coast Partner</u> which — subject to them delivering on their commitments — will operate the route until 2031 and which will work with HS2 to pave the way for the opening of HS2.

The West Coast mainline is one of the busiest mixed rail routes, if not the busiest in Europe. It carries commuter traffic to 6 of our biggest cities, it carries express trains between them, it provides essential intermediate services to places like Milton Keynes, Coventry, Warrington and Preston. It is an essential link to North Wales, Scotland and Ireland. And it is also one of our busiest freight routes.

It is this complex mix of traffic which is a key part of the case for building HS2 so that we have the capacity to meet these growing needs in the future.

The West Coast franchise has been very successful in recent years, with high passenger satisfaction and substantial revenue growth for the taxpayer. It is my intention that the new contract will build on this up to and including 2026. There is already a close working relationship between Network Rail and the train operator, and I intend that this should be deepened under the new contract with the new operator.

After that, though, Mr Speaker, the way we run this railway will change. After 2026 the express services will start to move off an increasingly congested part of the existing network and onto the new HS2. Brand new and more frequent trains will provide additional capacity on faster services. Space will be freed up on the existing routes for improved services to other destinations.

This will require a carefully managed transition, as initial services begin

to Birmingham and then gradually the HS2 network provides more and more of the intercity service.

I want to explain today how this new contract will ensure that this smooth transition takes place and set out what we are working towards. I should emphasise that final decisions on the transition and the operational details are years away, but I do think it's right that as we publish this new invitation to tender that we start to look towards what that end point could be.

For example, one option could be an integrated railway operation, in charge of both its infrastructure and its services, akin to some Japanese high-speed lines, and in line with the government strategy of bringing together track and train. It could also be structured as a public-private partnership and there will also be other options that we should explore before any final decisions are made.

While the exact shape and end-state of the organisation does not need to be decided now, I am very clear of one thing, I want HS2 to become a strong, British organisation, potentially capable of not just building but also operating a successful railway here. It should also become a strong international champion for the UK — in the way, for example, that the organisation that runs Manchester Airport has.

Manchester Airports Group is a strong and effective public private partnership organisation that has expanded in the UK running first great operations in the UK, and is now doing so internationally. It has proved itself effective at managing major projects and delivering good customer service.

Today's announcement is not about creating a long term organisational model for HS2, though.

As we get into the 2020s we will need to prepare for the introduction of services. So through this new arrangement my department is paving the way for that introduction.

The winner of this new competition will help design the new HS2 services and develop a new customer offering to take advantage of 21st century technology to revolutionise the way we travel on high speed rail, and provide input to my department and to HS2 Limited.

They will run the existing West Coast Mainline services until HS2 passenger services are introduced.

After that they will continue to run successor services on the West Coast main line until 2031, albeit to a different set of timetables and priorities, with a refocused service aimed at those intermediate locations.

During the period between now and the start of HS2 services they will also help plan the introduction of the express trains to the new line, the move from one line to the other, and put in place all of the customer facing resources needed to deliver an excellent service on day one.

If they perform strongly, they will also operate on behalf of HS2 services for a limited period after 2026.

During this period, my department will be closely involved with operations to ensure that the envisaged connectivity benefits of HS2 are realised.

What the contract also includes a number of safeguards such as restrictions on branding, transfer of intellectual property and collaboration requirements with HS2, which mean that while we will harness the innovative thinking of the private sector no bidder will be able to create something that only they could run in the future.

During this period, the operator will also work with the department and HS2 to consider the options for the end state, including what would be required for fully integrated operations to be undertaken by an eventual combined organisation.

This short term arrangement will be very similar to the modus operandi that which will be operating on Crossrail next year after it formally begins services as the Elizabeth line for Transport for London.

Throughout this period, the new operator will also deliver a high quality experience for passengers and continue to drive growth on the existing West Coast Mainline route.

Passengers will benefit from enhanced compensation for delays of greater than 15 minutes, simpler to understand fares and ticketing. And also a more accessible railway, we are introducing an accessibility panel to advise on all aspects of how this railway is operated.

I want to ensure that passengers are placed firmly at the heart of all planning decisions.

So what I am setting in train today for the <u>West Coast Partnership</u> is our plans to:

- keep industry leading services on the West Coast until HS2 enters operation
- ensure that the first HS2 services are delivered by an experience operator that has been working hard to plan for their introduction
- and use this approach to help inform decisions on what the future shape of the organisation should be

I believe that this is the best way of ensuring a smooth transition to what will be an exciting new future for our railways

I commend this statement to the House.