

Keep Island Line in Franchise (KILF)

Claire Perry MP
Parliamentary Under Secretary of State
Department for Transport
Great Minster House
33 Horseferry Road
London
SW1P 4DR

By email to Claire.Perry_MP@dft.gsi.gov.uk

13th July 2016

Dear Claire,

Isle of Wight rail services

I write further to our exchange last autumn (your ref: MC/145805), and I am grateful for your response dated 10th November 2015 which confirmed your recognition of the importance of Island Line for residents, businesses, and for visitors to the Isle of Wight. You also made clear your desire to secure a sustainable long term future for the line – an objective which we share.

You encouraged us – the Keep Island Line in the Franchise (KILF) Campaign – to respond to the formal consultation, and I can confirm that we made a detailed submission earlier this year. We have now had the opportunity to review the Invitation To Tender (ITT) for the South Western Rail Franchise issued at the end of June, and the Stakeholder Briefing Document published last week.

We note from the latter document that the majority of respondents favoured keeping Island Line as part of the wider franchise, *“believing that this approach would most likely result in a secured future for the services”*. In light of this, we remain disappointed at the continued franchise objective to see Island Line become a self-sustaining business during the course of the next franchise. We have seen nothing from the DfT or other interested parties to suggest that a self-sustaining business model would secure a long-term sustainable solution. To the contrary, we are concerned that this approach misses the opportunity to require the franchise bidders to develop a cost effective proposal, drawing on their expertise and economies of scale, that would deliver a long-term solution within the wider franchise model – as is being required for all other branch lines within the area.

We do, however, note that paragraph 4.5 of the Stakeholder Briefing Document makes clear that stakeholders (of which we are one) are encouraged to engage directly with bidders as they develop their proposals, and we are now in initial dialogue with both of them. We welcome the fact that bidders have the flexibility to *“put forward proposals that go beyond the base specification, where it can be demonstrated that such proposals would provide passenger benefits in a way that is affordable and delivers value for money”*. It is our view that an integrated approach to Island Line, fully within the wider franchise model, would achieve these particular objectives – and we will be encouraging bidders to pursue this.

I would, however, like to use this letter to seek confirmation of an earlier commitment you made regarding Island Line's infrastructure. In my October 2015 letter to you, I welcomed the announcement you made in an *Isle of Wight County Press* article the previous month that "*Network Rail should take on the full cost of maintaining the line's infrastructure, including the track, pier and stations*". This was reaffirmed in a DfT press release ¹ on 11th September 2015 which stated that "*Network Rail [would be] responsible for maintaining and improving the infrastructure of the line*". This new funding model (for how Island Line's infrastructure costs are met) would be a hugely positive step, putting Island Line on an equitable footing with the rest of the rail network.

We were therefore disappointed to receive an email ² last week from Richard Hughes (the DfT's Specification Manager for the South Western Rail Franchise), in which he sidestepped any confirmation of your earlier statement about Network Rail's future role, instead saying that "*it would be premature to decide on a change to the funding model that currently operates*". Yet your article in the *County Press* was a clear ministerial statement of intent as to the future role Network Rail would have in relation to Island Line, and it was in the context of this commitment that we and many other stakeholders shaped our responses to the consultation. The current refusal of your civil servants to confirm the DfT's commitment to your previously stated intention for Network Rail's future role in respect of Island Line gives rise to concern that consultees responded to the consultation on the basis of a pledge which may no longer be fulfilled.

I therefore hope you are able to provide some urgent clarification on this matter, particularly so that the current deliberations of the franchise bidders – along with any discussions we may have with them – can take place with an accurate understanding of the DfT's intentions regarding Network Rail's future role in respect of Island Line.

Finally, I note that a ministerial reshuffle is due to get underway later today, and I therefore wish you well in whatever role you may be undertaking in the period ahead. If you do not continue as Rail Minister, may I take this opportunity to thank you for the interest you have shown in Island Line, and would ask that this letter is passed to your successor for a response.

Yours sincerely,



Chris Quirk
quirkchristopher@hotmail.com

CC:

Alan Marriott, Editor, Isle of Wight County Press – alanm@iwcpmail.co.uk
Andrew Turner MP – andrew.turner.mp@parliament.uk
Cllr Jonathan Bacon, Leader, Isle of Wight Council – jonathan.bacon@iow.gov.uk
John Metcalfe, Chief Executive, Isle of Wight Council – john.metcalfe@iow.gov.uk

¹ DfT press release, 11th September 2015 - <https://www.gov.uk/government/news/new-proposals-for-isle-of-wight-rail-services-announced>

² Email exchange with Richard Hughes in appendix 1 to this letter.

APPENDIX 1: EMAIL EXCHANGE BETWEEN KILF AND THE DfT

From: Richard Hughes [REDACTED]
Sent: 07 July 2016 14:49
To: 'David Pugh' [REDACTED]
Cc: Nigel Nuttall [REDACTED]
Subject: RE: Stakeholder Briefing Document

David,

The requirements relating to the future Island Line leasing arrangements are contained within the Franchise Agreement rather than the ITT.

The current Island Line leasing arrangements, detailing the split of responsibilities (and funding) are in place between the operator and Network Rail until 2019. As set out in the ITT the bidder will be required to work with all stakeholders to deliver the future service on the Island Line, until that point it would be premature to decide on a change to the funding model that currently operates.

Regards,

Rich

Richard Hughes | Specification Manager, South Western Franchise, Department for Transport
LG2 | 0207 944 3071 | 07768 701077

From: David Pugh [REDACTED]
Sent: 04 July 2016 12:22
To: Richard Hughes [REDACTED]; Nigel Nuttall [REDACTED]
Subject: RE: Stakeholder Briefing Document

Richard

Thanks for this. Very interesting.

Can you confirm that it is the DfT's policy that Network Rail takes on the full cost of maintaining Island Line's infrastructure, including the track, pier and stations, as set out in the attached article by Claire Perry in the Isle of Wight County Press last September?

If so, when will this commence (such as 2019) and are bidders being advised of this policy so they can factor it into their bid proposals? I note there is no reference to the existing lease arrangements (and their termination in 2019) in the ITT and supporting documentation.

Kind regards

David

From: Richard Hughes [REDACTED]
Sent: 04 July 2016 11:18
To: 'David Pugh' [REDACTED]; Nigel Nuttall [REDACTED]
Subject: RE: Stakeholder Briefing Document

David,

The stakeholder briefing document for the South Western franchise has now been published, please find the link below:

<https://www.gov.uk/government/consultations/south-western-rail-franchise>

Thanks,

Richard Hughes | Specification Manager, South Western Franchise, Department for Transport
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