

East Coast franchise awarded to Stagecoach and Virgin joint venture



The Department for Transport has announced this morning that the East Coast franchise will be operated from 1 March 2015 by a joint venture between Stagecoach and Virgin. The good news is that there are to be refurbished trains and shorter journey times from Edinburgh to London, with an improved ticket office.

The service will be improved with promises of extra benefits for passengers in Scotland:

- proposals for more trains to London from Edinburgh and Stirling;
- journey times from London to Edinburgh reduced by 13 minutes by 2020;
- improved ticket offices at Edinburgh;
- 3,100 extra seats for the morning peak time by 2020;
- 65 state of the art Intercity Express Trains brought into passenger service from 2018; and
- a £140 million investment package to improve trains and stations across the East Coast.

Transport Secretary Patrick McLoughlin said:

“This is a fantastic deal for passengers and for staff on this vital route. It gives passengers more seats, more services and new trains.

“We are putting passengers at the heart of the service. I believe Stagecoach and Virgin will not only deliver for customers but also for the British taxpayer.

“This government knows the importance of our railways. That is why they are a vital part of our long term economic plan, with over £38 billion being spent on the network over the next five years.”

Martin Griffiths, Chief Executive of Stagecoach Group, said:

“A passion for customers, employees and the community is at the heart of our plans for the franchise. We want to build on the quality and pride of the people who will be joining our team.

“We have some fantastic ideas to deliver a more personal travel experience for customers. Investing in the committed people who will make that happen is a big part of our plans, giving opportunities for them to develop and grow into more senior roles. At the same time, we have developed major programmes to help young people, communities and small businesses along what is one of Britain’s major rail routes.”

The deal will see an additional four trains a day between London and Edinburgh in operation from May 2016, providing a regular service of two trains per hour, with journey times reduced to four hours or less. One additional service will be provided to and from Stirling from December 2015.

Over the eight-year franchise Inter City Railways will also invest £140 million to bring extra benefits for passengers across the East Coast, including:

- complete refurbishment of the existing train fleet;
- better wi-fi connections and onboard catering on the new Intercity Express train fleet;
- improved ticket offices and 170 new ticket vending machines;
- over 500 new car parking spaces;
- 411 additional cycle spaces and new secure cycle facilities;
- a customer and community improvement fund; and

- a training fund for new apprenticeships, internships and staff development.

The new services announced today have only been made possible thanks to the government's significant investment in the railways. Over the next five years more than £38 billion being spent on improving and maintaining the national network.

Inter City Railways will pay the government around £3.3 billion to operate the franchise.

The company will shortly begin talks with Network Rail and the Office of Rail Regulation to agree its plans to run new direct services from London to Sunderland, Middlesbrough and Huddersfield for the first time ever on the East Coast franchise.

It will also seek approval to run more trains to Edinburgh, Leeds, Lincoln, Stirling, Harrogate and Bradford.

From 2018, Inter City Railways will take delivery of the new Intercity Express trains, assembled at Hitachi's factory in Newton Aycliffe, County Durham. By 2020 all of the 65 modern high-speed electric trains will be in service and will replace 39 existing trains.

In addition to more seats, passengers will benefit from cleaner, more reliable trains and faster journeys.

Inter City Railways has also given a commitment to reduce all long-distance standard anytime fares by 10%. This could save passengers travelling from Edinburgh to London around £15 on those journeys.

The operator will also develop its own website, smartphone and tablet apps that will make door-to-door travel easier for customers, including planning journeys and buying tickets.

Inter City Railways is a joint venture comprising Stagecoach Transport Holdings Ltd and Virgin Holdings Ltd. It will take

over the franchise from Sunday 1 March 2015.

Following the announcement, and in accordance with usual procurement practice, there will be a standstill period of 10 days before the department will be in a position to enter into, and complete, the formal contractual documentation and make the award to Inter City Railways.