RAILWAYS ACT 2005 STATEMENT

Introduction

1. The Government's vision is for dynamic, sustainable transport that drives economic growth and competitiveness. We are securing investment to provide world class national and international connectivity; harnessing technology to ensure our transport system is smart, sustainable and ready for the future; and putting the customer and businesses at the heart of transport.

2. The Government's strategy for the railways was set out in the March 2012 Command Paper - *Reforming our Railways: Putting the Customer First*. The Command Paper set out how our passenger and freight railways support Government's overall transport vision by supporting economic growth, facilitating business, commuting and leisure journeys, providing a greener transport option than road and aviation, and relieving congestion on our road network. The Command Paper sets out the Government's ambition to see the rail industry aim to reduce costs by £3.5 billion by 2019 (compared to a starting point in 2008/09), making the railway more financially sustainable and lessening the burden on farepayers and taxpayers. A summary of progress since the Command Paper is included as Appendix B to this document.

Legal basis

3. This Railways Act 2005 Statement fulfils the requirements of UK legislation[1] by setting out for the Office of Rail Regulation (ORR) the information about:

    - what the Secretary of State wants to be achieved by railway activities during the review period covering 1 April 2014 to 31 March 2019[2] (the High Level Output Specification or HLOS); and

    - the public funds that are or are likely to be available to secure delivery (the Statement of Funds Available or SoFA).

    In doing so, the Statement responds to ORR's notice of 15 March 2012.[3] The Statement should be read in conjunction with the Government's revised statutory Guidance to the ORR setting out the key principles which the Secretary of State wants to see shape the ORR's regulatory approach to the rail industry[4].

[1] Para 1D(1) of Schedule 4A to the Railways Act 1993, as amended by the Railways Act 2005
[2] Known as Control Period 5, or CP5
[3] Available at http://www.rail-reg.gov.uk/pr13/publications/index.php
[4] Available on the DfT website at http://www.dft.gov.uk

Strategic context

4. This Statement defines the railway that the Government wishes to see by 2019. It is framed against the background of forecast further strong average growth during CP5 of 16% in passenger demand and 23% in freight. It includes £5.2bn of infrastructure enhancements already committed for CP5 to reduce crowding, cut journey times, increase efficiency and improve the passenger experience. These are Thameslink; Crossrail; the implementation of the Intercity Express Programme on the Great Western and East Coast Main Lines; work on the West Coast Main Line at Stafford and to deliver a power upgrade; East-West Rail (Oxford-Bedford); Great Western, North-West and North trans-Pennine electrification; and elements of the Northern Hub.

5. The Government's strategy for CP5 is built around a rolling programme of electrification, making continued use of 'cascaded' modern electric rolling stock and exploiting synergies between schemes in order to efficiently meet forecast demand growth, support economic growth and better environmental outcomes, and secure cost efficiencies for both passenger and freight operators. There is a geographic spread of economic benefits across the key conurbations of the North of England, Midlands, East of England, South-West, and London and the South-East. The strategic intent is to develop the network in a way that will enable it to shoulder demand until High Speed Two (HS2) becomes operational, but is then able quickly to adapt and integrate around the high capacity HS2 corridor.

6. The strategy is built around four priorities. The first of these is the creation of the "Electric Spine", a high capacity passenger and freight electric corridor running from the South Coast through Oxford, Bedford and via the Midland Main Line to the East Midlands and South Yorkshire, with a link from Oxford to the West Midlands and the North-West. The Electric Spine investment is expected to deliver cost savings to the railway in the medium term, because electric rolling stock has lower purchase, maintenance and fuel costs. It also leads to choices for further efficient route electrification in Control Period 6 (CP6).

7. The creation of an electrified route linking the core centres of population and economic activity in the Midlands and North with the major container port of Southampton is a crucial step in creating the right conditions for significant private sector investment in electric freight locomotives, which offer more efficient, capable and sustainable freight haulage. The rolling programme of electrification is expected to help make rail freight commercially more attractive across England, supporting our growing international trade and the transfer of container traffic from road.

8. The Government's second strategic priority is to increase capacity and accelerate journey times between our key cities, investing in faster trains (Intercity Express Programme) and route improvements. Major new investment is focussed on the Great Western, East Coast and Midland

Main Lines, complementing recent investment in routes such as the West Coast Main Line and trans-Pennine routes.

9. The third strategic priority is to facilitate commuter travel into major urban areas, helping to expand the effective labour market, and helping people to access a wider range of jobs. A significant investment project is the electrification of the Welsh 'Valleys' lines. This is a transformational scheme supporting the long-term economic renewal of the Welsh economy. The HLOS sets out peak city demand to be met; designed to support economic growth in the North East, Yorkshire, North West, Midlands, West, and London and the South East. By boosting rail capacity and capability in west and south Yorkshire, enhancing North-Eastern connectivity and completing the Northern Hub, this investment is expected to unlock major economic benefits in the economies of the northern cities and conurbations.

10. Our fourth strategic priority is to improve railway links to major ports and airports. The Government wishes to see a new railway link to give western rail access to Heathrow Airport. This will be subject to a satisfactory business case and the agreement of acceptable terms with the Heathrow aviation industry. It will provide a major boost to the airport's accessibility, substantially reducing Heathrow airport journey times from Wales and western England, supporting the extension of the vibrant Thames Valley economy westwards, and complementing the proposed high speed rail access. Other airports will also benefit from enhanced rail links. Port links will be improved, notably from Southampton with the initiation of the 'Electric Spine' and from Felixstowe with the provision of capacity to cross increasingly busy routes radiating from London.

11. This strategy should enable the passenger growth that is forecast by the end of the decade to be met increasingly by efficient and sustainable electric trains. Released diesel trains can then be used to lengthen peak trains and displace older diesel trains on the remaining un-electrified routes. The change at renewal of Southampton to Basingstoke - the southern section of the Electric Spine - to the modern overhead AC system will also test the business case for the wider conversion of the third rail electric network south of the Thames to overhead line equipment.

12. The Government's role in producing the HLOS and SoFA is fundamentally a strategic one. Government is **not** specifying the detail of how these strategic outputs should be met. Although alongside this HLOS the Government is publishing an 'Illustrative Option' of how the outputs could be met, derived from the September 2011 Initial Industry Plan and other industry sources, the Government's purpose in doing so is to assure itself and others that there are likely to be value for money ways of securing the outcomes specified within the funding limits set out in the SoFA.

13. The Illustrative Option is therefore not a specification. We look to ORR and the industry to improve upon these options and find more efficient and effective ways of achieving the same outcomes at better value for money and lower cost as they take forward the Periodic Review preparations for Control Period 5. We have reinforced this expectation in Guidance issued to the ORR.

Structure of this Statement

14. The Secretary of State recognises the improvements to safety and reliability achieved to date during Railway Control Period 4 (CP4: 2009/10 to 2013/14) and wants to see continuous improvements in these areas. She wishes the railway to continue to develop its capacity and capability to support economic growth by improving connectivity and meeting key elements of forecast demand growth. However, she also wants the railway to become more financially and environmentally sustainable. This Railways Act 2005 Statement in respect of Control Period 5 (CP5: 2014/15 to 2018/19) therefore balances the objectives of increasing capability with the requirement to achieve a long-term, low-cost, low-emission railway.

15. To this end, the Secretary of State has defined a High Level Output Specification in terms of a limited number of quantified Metrics and non-quantified Requirements, covering Safety, Reliability, Capacity and Environment.

16. The Secretary of State is also providing a high level specification of certain major projects and other investments which she wishes the railway to deliver in CP5. The Secretary of State believes that these Metrics and Requirements are deliverable within the proposed Statement of Funding Available (SoFA).

High Level Output Specification

Safety

17. The Secretary of State considers the continued safe operation of the railway to be of the utmost importance. She therefore requires the industry to continue to improve its record on passenger and worker safety through the application of the "so far as reasonably practicable" approach and to ensure that current safety levels are maintained and enhanced by focusing domestic efforts on the achievement of European Common Safety Targets.

18. The Secretary of State wishes the industry to reduce the risk of accidents at level crossings and is making a ring-fenced funding provision for this purpose.

Reliability

19. Reliability has continued to improve in CP4. The high amount of recent investment in the rail network means it is not yet clear how much further performance improvement can be delivered in CP5 without incurring investment which is not value for money or which compromises the delivery of other HLOS outputs.

20. Bearing in mind the need to balance different objectives, the Secretary of State is setting a Metric specifying that reliability, as measured by the 'public performance measure' (PPM)[5], should achieve an overall level of at least 92.5% moving annual average by the end of CP5. She wishes to have a higher level if the ORR determines this is value for money and can be affordably achieved without compromising delivery of other HLOS requirements.

21. The Secretary of State also wishes to see a reduction to no more than 2.2% by the end of CP5 in the overall percentage of trains which are cancelled or arrive at their final destination significantly late[6] ('Cancellations and Significant Lateness' - CASL). Again, she wishes to have a better level if the ORR determines this is value for money and

[5] Public Performance Measure (PPM) measures the percentage of trains arriving at destination within ten minutes of the time shown on the published timetable for long distance services, and within five minutes for regional services and London and South East services. It covers all timetabled services on all days of the week. Cancellations are included within PPM as services not arriving within time.

[6] Significant lateness: A train is significantly late if it arrives at destination 30 or more minutes later than the time shown on the public timetable. Significant lateness covers all timetabled services on all days of the week. Cancellations and part cancellations are scored as 'significantly late'.

can be affordably achieved without compromising delivery of other HLOS requirements.

22. In respect both of PPM and CASL, the Secretary of State requires that the industry focuses on improving the worst-performing routes and those on which lower levels of reliability have the greatest economic effect and would wish to see a plan is produced to this effect.

23. In framing the Reliability Metrics and Requirements in this way, the Secretary of State wishes to secure an outcome where the industry is empowered to secure an overall level of reliability in CP5 at least as high as that which is likely to be achieved in CP4, but which is more consistently delivered, improving the passenger experience.

Capacity

24. The Secretary of State wants to see a significant increase in the carrying capacity of both the freight and the franchised passenger railway, to reflect the growth in demand and to relieve crowding. She is supporting freight infrastructure investment by continuing to fund the industry to develop the wider Strategic Freight Network, and through the investment in the 'Electric Spine' route from the South Coast to the Midlands and South Yorkshire and the Northern Hub. She intends to increase the carrying capacity of the passenger railway, and will continue to specify a core level of capacity and/or service in new franchises whilst introducing more flexibility, so as to provide for the incremental capacity specified in this HLOS.

25. The incremental passenger capacity to be delivered is specified in a Capacity Metric, setting out the numbers of arriving passengers to be accommodated at Birmingham, Leeds, Manchester and 'other urban areas'[7], and at the main London termini across the three-hour morning peak and across the one-hour high-peak. This Metric is set out at Appendix A.

26. The Secretary of State wants to ensure that capacity increases are delivered as cost-effectively as possible, in order to maximise the number of passengers who benefit from relief of crowding in CP5, and to contribute towards the Government's aim to reduce the cost of running the railway.

Financial sustainability

27. The Secretary of State remains committed to improved rail industry efficiency and value for money for customers, as set out in the objectives of the March 2012 Rail Reform Command Paper. She expects the industry to deliver this through the agenda of transparency,

[7] 'Other urban areas' is taken to mean Bristol, Leicester, Liverpool (excluding Merseyrail), Newcastle, Nottingham and Sheffield.

alignment of industry incentives, franchise reform and other measures set out in her Command Paper.

Customer satisfaction

28. The Secretary of State seeks an improvement in passenger satisfaction, as measured by Passenger Focus's National Passenger Survey. Whilst she is not setting a target in this area, the Secretary of State believes that better information, particularly during disruption, is an effective and low cost way of achieving passenger satisfaction improvements.

Environmental Performance

29. As noted above, the Secretary of State wants the railway to become more environmentally sustainable. To this end, she is making the following requirements of the industry, subject to the development of a satisfactory business case:

30. *Carbon and energy:* The rail industry should set itself carbon and energy efficiency objectives, develop indicators to measure its performance against these, and publish this information regularly. The scope of this measurement and reporting should include both traction and non-traction carbon emissions and energy consumption. The industry should also set out plans for embedding the rail industry's Sustainable Development Principles and measuring and reducing the carbon embedded in new infrastructure, throughout the lifecycle of programmes and projects. This should include the use of a suitable carbon accounting methodology.

31. *Climate adaptation:* The Secretary of State requires the industry to confirm how decision-making processes and investment plans will take appropriate account of the risks and opportunities from anticipated climate change.

32. *Wider environmental impacts:* The Secretary of State requires the industry to provide evidence in its investment proposals of how it is taking into account the Government's broader environmental agenda throughout the lifecycle of programmes and projects, including protecting and enhancing the natural environment, using resources in a sustainable way and promoting good health and a good quality of life through the effective management of noise and air quality.

Supplementary high-level specification of major projects

Committed Projects

33. The Secretary of State wishes the industry to develop and deliver all of the projects which she has already committed to for CP5. These projects include:
    - Thameslink
    - Crossrail
    - Intercity Express Programme
    - Birmingham New Street station upgrade
    - Reading station upgrade
    - West Coast Main Line Stafford capacity upgrade
    - West Coast Main Line power supply upgrade
    - East West Rail (Oxford – Bedford, Aylesbury – Calvert and links)
    - Electrification of the Great Western Main Line to Cardiff, Oxford and Newbury
    - Electrification of the 'North West Triangle' (Manchester – Liverpool via Chat Moss, Huyton - Wigan, Manchester - Euxton Junction and Blackpool North – Preston)
    - Electrification of the 'North trans-Pennine line' (Manchester Victoria and Guide Bridge – Huddersfield – Leeds – Colton Junction)
    - Elements of the Northern Hub (New Ordsall Chord, capacity improvements between Manchester and Sheffield and line speed improvements on Manchester to Sheffield, Preston and Bradford routes)

The Electric Spine

34. The Secretary of State wishes the industry to develop and deliver within CP5 the major rail electrification and capability enhancement referred to as the 'Electric Spine', in order to increase regional and national connectivity and support economic development by creating a high-capability 25kV electrified passenger and freight route from the South Coast via Oxford and the Midlands to South Yorkshire.

35. The routes to be electrified as part of the Electric Spine are:
    - Southampton Port – Basingstoke (conversion from 750 dc);
    - Basingstoke – Reading;
    - Oxford – Leamington – Coventry;
    - Coventry – Nuneaton;
    - Oxford – Bletchley – Bedford (East West Rail core route);
    - Bedford – Nottingham and Derby, and Derby – Sheffield (Midland Main Line); and
    - Kettering – Corby

36. The work should include gauge clearance for large containers and appropriate electrified links to adjacent electrified routes, depots and freight facilities. Opportunities should be pursued to speed journeys through efficient enhancements in conjunction with the improvements, notably between Bedford and Corby, and at Derby. The Secretary of State wishes to see sufficient capacity to provide for forecast freight flows crossing the Electric Spine at Leicester. The industry is to undertake further development work to confirm the full scope and requirements for the delivery of this scheme, which the Secretary of State believes is deliverable within the SoFA.

37. The southern end of the Electric Spine entails the conversion of a section of the existing Southern 'third rail' (750V DC) electrification system to the more modern and capable 'overhead' (25kV AC) system to upgrade its capability. The Secretary of State also wishes the industry to develop a longer-term proposition and business case for the systematic upgrade from DC to AC of the whole Southern network, for consideration for future control periods. As part of this work the industry will wish to treat the conversion work required for Southampton to Basingstoke as a pilot scheme for such a potential modernisation programme, and review plans for renewing or upgrading the DC network to avoid the risk of nugatory expenditure.

38. The Secretary of State wishes the industry to identify the most efficient strategic electrification schemes that may be considered for CP6. This should include freight linkages in South Yorkshire and Derby – Birmingham – Bristol.

Other Electrification Projects

39. *South Wales:* The Secretary of State has reached agreement with Welsh Government Ministers on the terms under which the Government will fund electrification of the Great Western Main Line from Cardiff to Swansea together with the following local railway lines:
    - Aberdare;
    - Barry Island
    - Cardiff Bay
    - Cardiff City Line
    - Coryton
    - Ebbw Vale
    - Maesteg
    - Merthyr Tydfil
    - Penarth
    - Rhymney
    - Treherbert, and
    - Vale of Glamorgan.

40. *Thames Valley:* The Secretary of State wishes to extend the scope of electrification of the Great Western Main Line to include:

- Acton - Willesden
- Slough – Windsor
- Maidenhead – Marlow
- Twyford – Henley-on-Thames

and believes the industry should be able to deliver these schemes concurrent with the Main Line electrification. Capacity and station expansion is sought at Oxford in conjunction with East West Rail and the Electric Spine.

41. *Midlands:* In addition to the Midland Main Line electrification, the Secretary of State recognises that electrification of the route between Walsall and Rugeley Trent Valley has regional and strategic value, and seeks this in addition to the works necessary to meet the increased commuter demand into Birmingham.

42. *Yorkshire:*The Secretary of State seeks electrification of the route between Micklefield and Selby with appropriate links to the East Coast Main Line. She also wishes to maximise the value of the previously announced North trans-Pennine electrification through capacity enhancement at Huddersfield station.

Airport and Port Access

43. The Secretary of State wishes the industry to develop plans to build a new rail link from the Great Western Main Line to London Heathrow Airport to enhance rail access from the Thames Valley and the West and, subject to a satisfactory business case and the agreement of acceptable terms with the Heathrow aviation industry, to commence construction of this during CP5. Delivery of the Heathrow western link is anticipated to extend into CP6.

44. The Secretary of State wishes to augment rail access to Gatwick Airport through capacity enhancement at Redhill.

45. The Secretary of State wishes to see sufficient capacity north of Ely station both to provide for forecast freight flows across East Anglia and to provide the potential to enhance passenger services between Cambridge and each of Kings Lynn and Norwich. The Government has a longer-term aim to provide high-capacity electrified routes from all major ports to the long-distance electric rail network.

City Capacity Projects

46. *Northern Hub:* The Secretary of State wishes to fund completion of the Northern Hub programme of enhancements, as modified by the Government's commitment to electrification. In addition to the works necessary to meet the increased commuter demand into Manchester, she seeks expansion of capacity between Liverpool and Manchester, at Manchester Airport, at Rochdale, and across central Manchester with additional platforms at Manchester Piccadilly station.

47. *South East:* London will benefit from major rail investment in CP5, with Thameslink and Crossrail providing high capacity north-south and east-west passenger routes across London[8]. The Secretary of State expects the majority of further CP5 enhancement to be identified by the rail industry in response to her requirements to provide for additional peak demand. She wants these enhancements to include efficient provision for likely demand growth beyond CP5. She recognises that major works are likely to be required at London Waterloo and has made provision for this.

48. *The West:* The Secretary of State wishes the industry to undertake work to expand the capacity of the railway serving passengers to and from Bristol including increasing route capacity into Bristol from Filton Abbey Wood and increasing station capacity at Bristol Temple Meads by bringing back into railway use the historic station building.

European Rail Traffic Management System

49. The introduction of the European Rail Traffic Management System (ERTMS) appears to offer valuable efficiency and potential capacity benefits. The Secretary of State wishes to see further implementation of the system with no loss of network capacity and with development of capacity and performance benefits in the future. She supports the proposed introduction of ERTMS on the south end of the East Coast Main Line.

Ring-fenced investment funds

50. The Secretary of State has made provision within the Statement of Funds Available for the following ring-fenced investment funds for CP5.

The Strategic Rail Freight Network

51. Recognising the wider economic growth and environmental benefits of transporting goods by rail, the Secretary of State wants to continue to fund the development of the Strategic Freight Network and has made a ring-fenced allocation of £200 million over the course of CP5 to fund improvements identified by the industry. This will help make best use of the existing network and, by increasing the network's freight capability, will leverage continued private sector investment in rail freight growth.

[8] The full Crossrail service from Maidenhead to Shenfield and Abbey Wood is scheduled to open in late 2019 as part of a phased introduction of services.

East Coast Connectivity

52. The Secretary of State recognises the importance of the East Coast Main Line in linking Scotland, the North East, Yorkshire and Eastern England with London. In addition to the schemes already funded, she seeks further improvement in capacity and reduction in journey times and believes there are good business cases for both. The industry should develop plans to deliver works within a maximum CP5 expenditure of £240m. These plans should include suitable efficient capacity for the crossing flows of passenger and freight traffic at Peterborough.

Passenger Journey Improvement

53. The Secretary of State wishes to see improvements in passengers' journey experiences and is making available up to £300 million over CP5 to fund journey time and performance improvements and other rail industry discretionary investment.

Station Improvement

54. The Secretary of State wishes the industry to improve the passenger experience at stations and is making available up to £100 million over CP5 to fund station infrastructure improvements, including better passenger information and up to £100 million over CP5 to fund 'Access for All' measures to provide easier access for older or disabled passengers and those with small children. She looks to the industry to seek funding contributions from other sources to further fund station infrastructure improvements.

Development

55. The Secretary of State wishes the industry to prepare for the future and, to this end, is providing £140 million over CP5 to fund innovation and the development of potential enhancement schemes for CP6 (2019/20 to 2013/24) including all necessary work on development of the linkage of High Speed Two with the existing rail network. The funding for innovation reflects the Secretary of State's desire to support the development, demonstration and introduction of new technologies and business innovations to improve the performance and cost-effectiveness of the railway.

Level Crossing Safety

56. The Secretary of State specifically wishes the industry to reduce the risk of accidents at level crossings. In accordance with advice from ORR she has made a ring-fenced provision of £65m over CP5 to facilitate the achievement of this outcome by enabling Network Rail to invest to reduce risk.

Statement of Funds Available

57. As required by legislation[9], the Secretary of State is also setting out the public funds which are available or likely to become available for the railway during the period 2014-15 to 2018-19. This information is provided in table 1. The Scottish Ministers have a similar duty relating to Scottish railway activities.

Table 1: Statement of funds available per year [10]

		2014-15	2015-16	2016-17	2017-18	2018-19	**Total**
Funds available:		3,165	3,382	3,385	3,516	3,394	**16,842**
Illustrative split of funding:	Franchise support	(341)	(166)	(296)	(254)	(396)	**(1,453)**
	Network Grant	3,506	3,548	3,681	3,770	3,789	**18,294**

58. The funding that the Government provides to the rail industry is directed either to support franchised passenger service operators or as a direct grant to Network Rail. The Secretary of State anticipates that this arrangement will continue, though recognises that it is for the ORR to confirm this as part of the Periodic Review process. In particular, final conclusions on the absolute level of access charges payable to Network Rail by train operators may affect the balance of funding. The split of funds available between franchised operators and Network Rail shown above is therefore illustrative only. The total level of funds available is final. It represents the maximum funding available for the industry. The SoFA is expected to support the regulatory review process and the Secretary of State expects the industry and ORR to continue to work together to ensure that actual industry costs are below those assumed in the SoFA and that the maximum possible level of efficiency improvements are sought.

59. In assessing the further funds to be made available, the Secretary of State has taken account of the expected financial impact of forecast demand growth, the scope for greater efficiency as set out in her Command Paper, as well as planned fares policy. The Secretary of State has also taken account of advice provided by the ORR on the industry financial framework and other key financial parameters for Control Period 5.

[9] Paragraph 1D(1)(b) of Schedule 4A to the Railways Act 1993, as inserted by Schedule 4 to the Railways Act 2005.

[10] All prices in £m, nominal, negative numbers represent income to DfT. Illustrative split of funding is based on CP4 access charging regime and subject to change following the outcome of Periodic Review 2013.

60. A number of other non-rail specific sources of public funding exist, and the railway industry may wish to apply for these in order to fund Control Period 5 activities. The industry should also seek to maximise possible third party funding contributions, including from land use planning, where it is consistent with the Government's National Planning Policy Framework.

Appendix A – Capacity Metric

1. Numbers of arriving passengers to be accommodated on services into Birmingham, Leeds, Manchester and other urban areas by the end of CP5, on a weekday morning in the three hour peak and in the high-peak hour, are shown in Table 2.

Table 2: Number of passengers to be accommodated into major cities

	Peak Three Hours		**High-Peak Hour**	
Major Cities	Forecast demand in 2013/14	Extra demand to be met by 2018/19	Forecast demand in 2013/14	Extra demand to be met by 2018/19
Birmingham	37,500	3,900	19,200	1,800
Leeds	25,400	5,100	13,000	2,800
Manchester	28,100	6,200	13,600	2,600
Others	34,800	4,900	16,500	2,000

City station definitions

- Birmingham stations are: New Street, Snow Hill and Moor Street
- Manchester stations are: Oxford Road, Piccadilly and Victoria
- Leeds is the single station
- Other urban areas are Bristol, Leicester, Liverpool (excluding Merseyrail), Newcastle, Nottingham and Sheffield, because these cities are current significant users of rail for commuting.

For definitions of peak periods see notes below.

2**.** Numbers of arriving passengers to be accommodated on services into the main London termini by the end of CP5, on a weekday morning in three hour peak and in the high-peak hour, are shown in Table 3 below.

Table 3: Number of arriving passengers to be accommodated into London termini

	Peak Three Hours		**High-Peak Hour**	
London	Forecast demand in 2013/14	Extra demand to be met by 2018/19	Forecast demand in 2013/14	Extra demand to be met by 2018/19
Blackfriars Terminating	0	8,000	0	3,800
Blackfriars Through via Elephant & Castle	21,100	-8,600	10,800	-5,000
Euston	24,300	2,400	11,500	1,200
Fenchurch St	24,100	2,000	13,000	900
Kings Cross	17,300	-4,600	8,000	-3,300
Liverpool St Terminating	66,800	-4,400	34,600	-2,300
Liverpool St Crossrail	0	33,000	0	16,500
London Bridge Kent routes	92,300	13,600	48,700	8,000
London Bridge Sussex routes	45,300	24,600	23,500	11,800
Marylebone	11,400	1,000	5,100	500
Moorgate	13,200	-2,300	7,400	-1,100
Paddington Terminating	26,300	-2,400	12,100	-1,900
Paddington Crossrail	0	23,600	0	11,800
St.Pancras Terminating	9,600	400	4,300	200
St. Pancras Thameslink	19,700	15,400	10,500	6,500
Victoria (Southeastern)	20,100	900	10,100	400
Victoria (Southern)	47,700	6,700	23,200	1,300
Waterloo	100,100	9,700	45,700	4,900
London Total	**539,300**	**119,000**	**268,500**	**54,200**

London stations definitions

- St Pancras values include Thameslink services, Midland Mainline and the Channel Tunnel Rail Link domestic services but exclude international services.
- London Bridge values cover services terminating there and services continuing to Cannon Street, Charing Cross and Blackfriars.
- Values exclude Heathrow Express and Hull Trains.

Forecasts

- All figures relate to franchised passenger services.
- The forecasts of demand are the Department's best assessment using available models and based on available information and plausible assumptions.
- The Department is at risk for the forecast at the start of CP5 and any variance in the forecasts between the start and end of CP5.
- Should better evidence of forecast demand at the start of CP5 become available during the course of the periodic review, the values will be adjusted accordingly.
- Negative values show the expected transfer of demand with the introduction of Thameslink and Crossrail service patterns.
- The figures for Crossrail demand comes from the TfL Crossrail Demand Model. Demand into Paddington includes all demand on Crossrail services when the full service commences in late 2019. Demand at Liverpool Street is taken as the demand from Stratford to Whitechapel and does not include Crossrail services coming from Canary Wharf.
- The figures for the Paddington and Liverpool Street terminating demand come from the DfT Network Modelling Framework. This may be a high estimate of demand because it does not fully capture the abstraction to Crossrail from national rail services that will occur in late 2019 when Crossrail is fully operational through central London. The Liverpool Street terminating demand includes the 6 trains an hour Gidea Park to Liverpool Street service that is currently assumed to be operated by Crossrail.

Peak three hours and high-peak hour

- The peak three hours covers all services timetabled to arrive in the morning between 0700 and 0959.
- The high peak hour covers all services timetabled to arrive in the morning between 0800 and 0859.
- Where two or more stations are included, e.g. Birmingham Snow Hill and Moor Street, the first station called at determines whether the train falls within the peak.

Evening peak

- Only the morning peak is used for HLOS. The evening peak is typically between 6% and 20% less in demand over both the high peak and the peak three hours. The train capacity provided for the morning peak is expected to be used for the evening peak with the level of crowding maintained or bettered for passenger comfort.

Timing of capacity delivery

- Delivery of some of the specified capacity may be brought forward before the start of CP5 if this is feasible and value for money.

- Delivery of capacity linked to Crossrail is expected to be phased and will extend into early CP6 with full Crossrail services planned for late 2019.

Appendix B – Update on rail reform progress

This appendix provides an update on progress since the publication of the Government's Rail Reform Command Paper in March 2012.

Network Rail has already:

- completed the first phase of its programme to devolve responsibility to local route managers, making the organisation more operationally focused and responsive to stakeholders (November 2011);

- separated out its accounts to give greater clarity about and comparability between its respective operating routes (first full accounts will be published in July 2012);

- established a new 'Infrastructure Projects' unit – the first step towards a separate Infrastructure company acting as a supplier for regional and central project teams, competing against external providers. (April 2012);

- released real time data on train running and timetables to enable new rail information services (June 2012); and

- launched an initiative to publish more of its data and information on its website, to promote transparency (June 2012).

Jointly between Network Rail and train operators, we have seen:

- the introduction of alliances which help deliver improved cooperation between Network Rail and train operators, and behavioural change across the value chain. This includes the creation of:
    - a 'deep' alliance between South West Trains and Network Rail to improve rail efficiency and performance in the Wessex area (April 2012); and
    - a range of shallower alliancing arrangements through framework agreements between Network Rail and several incumbent passenger franchise operators.
- DfT has also introduced proposals for alliancing on future franchises, and a framework for engaging with bidders.

The Rail Delivery Group has:

- established asset management pilots which are under way to reduce costs of contingency, access planning and work volumes planning.

- The ORR will also shortly consult on establishing a formal constitution for the RDG.

The Department for Transport has:

- published this High Level Output Specification and Statement of Funds Available, setting the Government's priorities for the railway for 2014-19;

- issued the Invitation to Tender for the Essex Thameside franchise, with Great Western to follow shortly, taking forward further franchise reforms;

- consulted on fares and ticketing (consultation closed 28 June), with the review due to report in May 2013; and

- consulted on rail decentralisation (consultation closed 28 June), with the Government response expected in the autumn.

The Office of Rail Regulation has:

- continued to develop a framework of incentives for the rail industry, as part of its work on Periodic Review 2013 for the next 5-year rail control period (2014-19).

- published data on train punctuality and reliability, disaggregated below the whole franchise level (May 2012).