

**From the Office of the Minister of State  
The Rt. Hon. Theresa Villiers MP**

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Web site: [www.dft.gov.uk](http://www.dft.gov.uk)

Our Ref: FOI 8055  
Your ref:

6 December 2011

XXXX

Thank you for your recent request for information about the Thameslink Programme. I am writing to confirm that the Department for Transport has now completed its search for the information which you requested.

You asked for:

*'a copy of any draft and final submissions which outline the criteria for choosing a bidder for the Thameslink Rolling Stock Project which went to the then Secretary of State and/or Minister of State in 2007 or 2008.*

*A copy of any draft and final submission(s) about bidder pre-qualification for Thameslink Rolling Stock which went to the then Secretary of State and/or Minister of State in 2007 or 2008.*

*A copy of any draft and final submission(s) about the Invitation to Tender for Thameslink Rolling Stock which went to the then Secretary of State and/or Minister of State in 2007 or 2008.'*

I attach five submissions relating to your request at Annex B. These are subject to redactions under exemptions under the following sections of the Freedom of Information Act 2000 (the "Act"):

- (a) section 36 where in the reasonable opinion of a qualified person, in this case the Minister of State, disclosure would inhibit free and frank advice to Ministers and the free and frank exchange of views, and would otherwise prejudice, or would be likely otherwise to prejudice, the effective conduct of public affairs; and
- (b) section 42 of the Freedom of Information Act 2000 (the "Act"), under which legal advice received is exempt from disclosure to protect the confidential relationship between lawyers and their clients.

These exemptions apply because:

- (a) in the case of section 36, the disclosure of internal communications would inhibit the free and frank provision of advice to Ministers and the free and frank exchange of views for the purposes of deliberation in relation to the Thameslink competition,

and would be likely to prejudice the effective conduct of the Department in the procurement process; and

- (b) section 42 exemption applies because there is an important public interest in a person (including a public authority) being able to consult his or her lawyer in confidence.

The names of some officials have been withheld pursuant to section 40(2) of the Freedom of Information as disclosure could contravene data protection principles.

In applying the exemption under sections 36 and 42 we have had to balance the public interest in withholding the relevant information against the public interest in disclosure. The attached annex A to this letter sets out the exemptions in full and details why the public interest test favours withholding the information.

If you are unhappy with the way the Department has handled your request or with the decisions made in relation to your request you may complain within two calendar months of the date of this letter by writing to the Department's Information Rights Unit at:

Zone D/04  
Ashdown House  
Sedlescombe Road North  
Hastings  
East Sussex TN37 7GA  
E-mail: FOI-Advice-Team-DFT@dft.gsi.gov.uk

Please see attached details of DfT's complaints procedure and your right to complain to the Information Commissioner.

If you have any queries about this letter, please contact xxxx at xxxx. Please remember to quote the reference number above in any future communications.

Yours sincerely,

**XXXXXXXXX**  
**Private Secretary**

**The Rt. Hon. Theresa Villiers**

### **Your right to complain to DfT and the Information Commissioner**

You have the right to complain within two calendar months of the date of this letter about the way in which your request for information was handled and/or about the decision not to disclose all or part of the information requested. In addition a complaint can be made that DfT has not complied with its FOI publication scheme.

Your complaint will be acknowledged and you will be advised of a target date by which to expect a response. Initially your complaint will be re-considered by the official who dealt with your request for information. If, after careful consideration, that official decides that his/her decision was correct, your complaint will automatically be referred to a senior independent official who will conduct a further review. You will be advised of the outcome of your complaint and if a decision is taken to disclose information originally withheld this will be done as soon as possible.

If you are not content with the outcome of the internal review, you have the right to apply directly to the Information Commissioner for a decision. The Information Commissioner can be contacted at:

Information Commissioner's Office  
Wycliffe House  
Water Lane  
Wilmslow  
Cheshire  
SK9 5AF

## Annex A

### Exemption in full

#### Section 36: prejudice to effective conduct of public affairs

Information to which this section applies is exempt information if, in the reasonable opinion of a qualified person, disclosure of the information under this Act:...

(b) would, or would be likely to, inhibit:

(i) the free and frank provision of advice, or

(ii) the free and frank exchange of views for the purposes of deliberation, or

(c) would otherwise prejudice, or would be likely otherwise to prejudice, the effective conduct of public affairs.

#### Public interest test factors for disclosure

- The general public interest in the scrutiny and transparency of public procurement processes, including the scrutiny and transparency of relevant public expenditure and the impact on UK jobs.
- The particular public interest in the scrutiny and transparency of Thameslink procurement, which is of high value and national significance.

#### Public interest test factors against disclosure

- The public interest in preserving effective public administration and decision making through the free and frank provision of advice and exchange of views.
- The public interest in giving Ministers and officials space to think through the implications of particular options and undertake rigorous and candid assessments of the risks to particular programmes and projects, and to obtain expert advice as necessary.
- The public interest in preserving public and industry confidence in the ability of public authorities to protect confidential information.

#### Section 40 (2) Personal information

(1) Any information to which a request for information relates is exempt information if it constitutes personal data of which the applicant is the data subject.

(2) Any information to which a request for information relates is also exempt information if—

(a) it constitutes personal data which do not fall within subsection (1), and

(b) either the first or the second condition below is satisfied.

(3) The first condition is—

(a) in a case where the information falls within any of paragraphs (a) to (d) of the definition of “data” in section 1(1) of the Data Protection Act 1998, that the disclosure of the information to a member of the public otherwise than under this Act would contravene—

(i) any of the data protection principles, or

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(ii) section 10 of that Act (right to prevent processing likely to cause damage or distress), and

(b) in any other case, that the disclosure of the information to a member of the public otherwise than under this Act would contravene any of the data protection principles if the exemptions in section 33A(1) of the Data Protection Act 1998 (which relate to manual data held by public authorities) were disregarded.

(4) The second condition is that by virtue of any provision of Part IV of the Data Protection Act 1998 the information is exempt from section 7(1)(c) of that Act (data subject’s right of access to personal data).

## **Exemption in full**

### **42 Legal professional privilege**

(1) Information in respect of which a claim to legal professional privilege or, in Scotland, to confidentiality of communications could be maintained in legal proceedings is exempt information.

(2) The duty to confirm or deny does not arise if, or to the extent that, compliance with section 1(1)(a) would involve the disclosure of any information (whether or not already recorded) in respect of which such a claim could be maintained in legal proceedings.

#### **Public interest test factors for disclosure**

Public interest in ensuring that decisions have been made on the basis of good quality legal advice.

#### **Public interest test factors against disclosure**

Public interest that Thameslink decisions are taken in a fully informed legal context where necessary, and that the Minister is fully cognisant of both the strengths and weaknesses of any relevant position.

Public interest in protecting the relationship between a client and their lawyer.

**Decision**

In view of the above, the Department is of the view that the balance of the public interest is clearly against disclosure of the relevant information.

## **Annex B**

To: Secretary of State

From: Graham Dalton

Location: 4/25

Tel: 020 7944 XXXX

Date: 19 March 2008

Copies: XXXX

### **THAMESLINK PROGRAMME**

#### **Issue:**

The purpose of this submission is to update you on the progress of the Thameslink Programme.

#### **Recommendation:**

That you:

- i) Note that there will be a series of more detailed submissions to you over the next 6 to 8 months covering various topics associated with the Thameslink Programme (please see paragraph 31)
- ii) Note the work that is currently ongoing and the presentational issues associated with the different project topics.

#### **Timing:**

Routine.

#### **Financial and Presentational Issues**

None at this stage.

#### **Background**

1. Following the publication of the Department for Transport's White Paper 'Delivering a Sustainable Railway' and the High Level Output statement, you approved the Thameslink Programme in July 2007 .

2. A major programme of infrastructure works, delivered by Network Rail, is now underway. This infrastructure work will allow the operation of longer and more frequent

trains and will deliver three modern stations with enhanced interchange facilities at Farringdon, Blackfriars and London Bridge.

3. These works will address the current constraint of a maximum 8 carriage train service. The ability to operate longer trains, with the majority of future Thameslink routes capable of 12 carriage operation, will reduce peak time crowding and provide capacity for future growth.

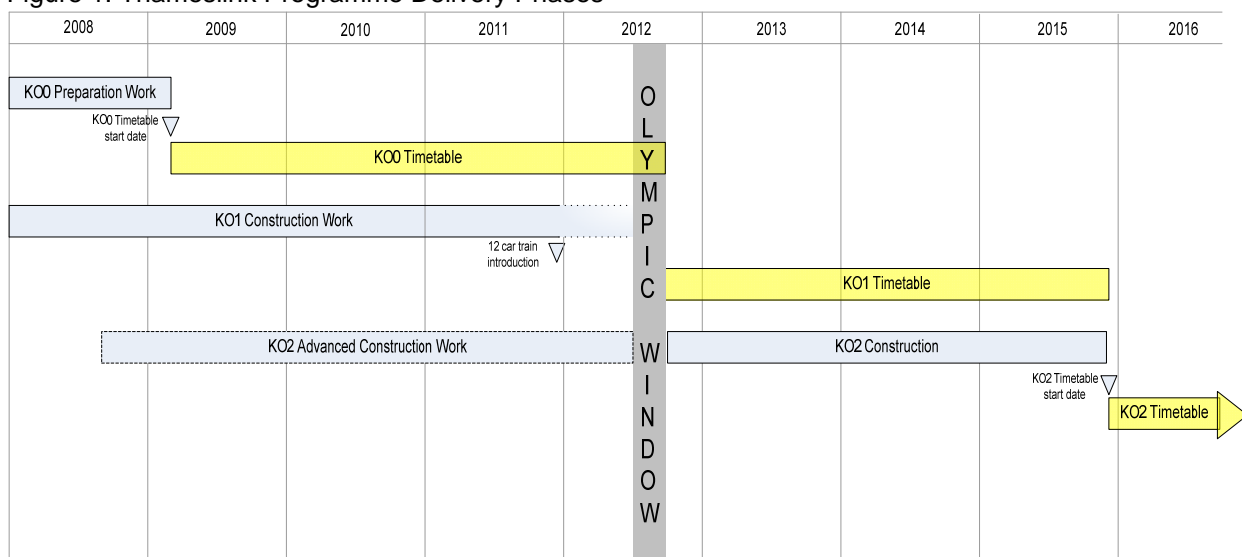
4. The benefits of the Programme will be delivered in phases as illustrated in Figure 1.

5. The first phase of works (termed Key Output 0 or KO 0) will be delivered by March 2009 and is an enabling stage for the construction of the Thameslink Programme. This will enable a wider set of destinations to be linked through the Thameslink core (between Blackfriars and St Pancras International), and by virtue of running 8 carriage trains, this timetable change will introduce some additional capacity on the service running through the Thameslink core.

6. The first significant capacity enhancements will be introduced in 2011 (termed Key Output 1 or KO1) and will facilitate trains of 12 carriages to operate on the busy Bedford to Brighton route.

7. The completion of Key Output 1 will see an upgraded Farringdon station in 2011, that will have much improved passenger circulation areas and a new ticket hall capable of providing a suitable interchange with Crossrail.

Figure 1: Thameslink Programme Delivery Phases





8. Blackfriars station will be extended across the River Thames and will also have much improved facilities including a ticket hall on the south bank of the River Thames, and a more direct interchange with the London Underground station (which will also be expanded and modernised as part of the Thameslink Programme).

9. By the end of 2015, London Bridge station will have been vastly improved, with better interchange and circulation areas and more network capacity through the station.

10. This work, together with other network enhancements, will see the creation of new direct journey opportunities on the Thameslink route, including linking destinations on the Great Northern routes, such as Cambridge, directly to Gatwick Airport.

11. Completion of the Programme will permit the majority of Thameslink services to operate trains of 12 carriages at a frequency of up to 24 trains per hour (tph) in both directions through the central core, providing a much needed step change in capacity. The completion of the project is termed Key Output 2 (or KO2).

12. To operate the higher frequency train service through central London, a new fleet of trains will be required. These trains will be a development of existing rolling stock, taking advantage of the latest developments in rolling stock design and will be consistent with the Department's Technical Strategy<sup>1</sup>. The DfT is currently leading the procurement process for the new trains with the first new trains in passenger service during 2012.

13. The phased introduction of the benefits of the project will require changes to the existing franchise agreements to enable the revised train services to operate. However the introduction of the 24tph train service on completion of the project (by the end 2015) will be delivered through new franchise arrangements, following the expiry of the existing South Eastern and First Capital Connect franchises, and the probable expiry of the forthcoming South Central replacement franchise.

## **Current Issues**

### Train Service Specification

14. The train service specification is the high level description of which destinations will be served by "Thameslink" trains. It details how trains will be "matched" north and south of London, and which services will operate in the peak and off peak.

15. At the time of the public inquiries into the Thameslink programme (in 2000 and in 2005), the train service specification was termed "indicative" and described the possible

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<sup>1</sup> Railway **Technical Strategy** Implementation Published by the Department for Transport on 25th September 2007

services that could operate on the completion of the project. The train service specification was developed by Network Rail (and before them Railtrack) and dated from 1999. It is unlikely that this specification would be introduced on the completion of the project, since both the demand for passenger services and enhancements has changed since the TWA inquiry – for example high speed domestic services will operate from Ashford directly to St Pancras International from 2009, so negating the rationale for a Thameslink service to Ashford.

16. Network Rail through the Route Utilisation Strategies (RUSs) has been examining the future use of the rail network on many of the routes impacted by the Thameslink Programme.

17. Network Rail has recently published the East Coast RUS and will shortly publish the South London RUS, and has begun the development of RUSs for the Kent and Sussex routes. All of these studies consider aspects of the possible Thameslink train services, and completion of these studies will be critical planning tools that will enable the Department to determine the final trains service specification for Thameslink.

18. XXXX

#### Rolling Stock

19. The primary output of the Thameslink programme is the ability to operate trains with 12 carriages at frequencies up to 24 trains per hour. This level of service is closer to a “metro” service similar to that operated on the London Underground. This density of service, and the volumes of people boarding and alighting the trains, will require a new type of train since no existing design of train will be capable of achieving the required levels of performance - in particular the trains will need to be able to move through the core central London section with very short station stop times (known as dwell times).

20. The Department’s Rolling Stock Strategy, published during January 2008, noted that up to 1300 carriages would be required to deliver the Thameslink KO2 train service, and that the Department would (initially) lead the procurement of these vehicles.

21. The approvals process for the initiation of the procurement phase of the project is currently going through the Department’s Investment Appraisal Framework process, and DfT Main Board will receive a submission during March 2008.

22. Following this Main Board meeting a submission will be made to you for your approval for the release of the OJEU notice, and so initiate the procurement process.

23. The timing of the release of the OJEU is pressing, and a submission will be made to you on 31 March, with an OJEU launch targeted for week starting 7 April and an Industry Day (where suppliers will be invited to hear a presentation on the Programme) planned for week starting 21 April 2008.

24. The initiation of the procurement stage for the extra vehicles would be a good news story for London and the South East. Added to the carriages allocated through the Rail White Paper, and the 600 vehicles that will run on Crossrail in around 2017, they show commitment to meeting growing demand in and across the capital. [XXXX]

## March 2009 Timetable Change

25. The timetable introduced in March 09 is required to enable construction works to be undertaken at Blackfriars and Moorgate stations. The consequence of the works is that trains from north of London that currently terminate at Moorgate and trains from south-east London that currently terminate at Blackfriars will be combined to become “through” services, providing new direct journey opportunities (for example from Bromley to St Pancras International and Luton Airport). Relevant Train Operating Companies, TfL and Network Rail have started to communicate these changes with staff and passengers.

26. This timetable change benefits from the introduction of 23 new 4-carriage class 377 (“Electostar”) trains on to the Thameslink Routes. In addition the Southeastern train operating company will have 12 additional 4 carriage trains available, which will be used to lengthen some peak services to Charing Cross, Cannon Street and Victoria.

27. To enable these changes the Department is negotiating changes to the franchise agreements of First Capital Connect, Southeastern and Southern. These changes will be concluded in April and will provide an opportunity to publicise some early benefits of the Thameslink Programme. A submission will be made to you during April, seeking approval to sign the deeds of variation to the franchise agreements for the impacted Train Operating Companies.

28. The extra trains for Southeastern come from the allocation of extra vehicles outlined in January's Rolling Stock Plan. Once contracts are signed and there is more detail on where the carriages will be deployed to tackle overcrowding it will be possible to make a positive media announcement.

## Passenger Disruption

29. The construction works in central London associated with the Thameslink Programme will result in disruption to passengers. Whilst every effort will be made to minimise this disruption, it will not be possible to construct the necessary upgrade work without some temporary closures of limited parts of the passenger railway. In particular the works at Farringdon, Blackfriars and London Bridge stations will result in a series of limited route closures.

30. The closures associated with Blackfriars and Farringdon stations are reasonably well defined, and Network Rail are notifying the affected Train Operating Companies following standard industry processes, so as to give maximum warning to passengers.

31. However the more significant work will be the re-building of London Bridge station. Network Rail are currently reviewing the scope of work and the delivery plan, and are not yet in a position to confirm how train services will be impacted by the works. A feature of the project is to increase the number of “through” platforms at London Bridge from 6 to 9, whilst decreasing the number of terminating platforms from 9 to 6. This increase of through platforms is necessary to enable the higher frequency train service to be routed through the Thameslink core section. During the construction phase it will not be possible to route peak trains through the Thameslink core, and the number of terminating

platforms will be reduced (to facilitate the construction work). As a consequence there will inevitably be a reduction in the frequency of trains into London Bridge station. Whilst this impact is likely to be offset by lengthening of other trains, it is likely that some destinations will be less well served during the construction phase.

### Stakeholder Communication

[XXXX]

### **Next Steps**

33. Over the coming 6 months we expect to provide you with further submissions and presentational advice to exploit good news announcements and manage presentational risk on the following:

- **Rolling Stock Procurement:** Seeking your endorsement to release an OJEU notice to initiate the procurement of a fleet of new trains to operate on the Thameslink routes. Planned for 28 March 2008.
- **Franchise Variation:** Seeking your approval to sign the deeds of variation to the franchise agreements for Southern, Southeastern and First Capital Connect for the introduction of the KO 0 timetable change in March 2009. Planned for mid April 2008
- **Train Service Specification:** Seeking your views on options for the Train Service Specification for the final Thameslink service (KO2 in 2015). Planned for mid May 2008.
- **Communication Plan:** We propose to provide a further submission detailing the main elements of the first communication document, and agreed key messages. Planned for late June 2008
- **Passenger Disruption:** Seeking your views on how passenger disruption will be managed and communicated during the Thameslink programme. Planned for September 2008.

34. We are happy to provide any further updates or verbal briefing on any of these or other issues as required.

### **Clearance**

35. This paper has been cleared by Legal, Finance and Press.

**Graham Dalton**

**Thursday 19 March 2008**

**Copies to:**

XXXX

To: Secretary of State

From: Graham Dalton

Location: 4/25

Tel: 020 7944 XXXX

Date: 28 March 2008

Copies: [XXXX]

## **THAMESLINK PROGRAMME**

### **Issue:**

The purpose of this submission is to seek your approval to release an OJEU notice that will initiate the procurement process for a fleet of trains necessary to operate the Thameslink service.

### **Recommendation:**

That you:

- iii) Note that DfT Board in accordance with the DfT Investment Appraisal Framework has given "Conditional Approval" for the procurement of the new Thameslink trains
- iv) Approve the release of an OJEU notice to initiate the procurement process.
- v) Note that an OJEU notice will be published during the week starting 7 April. Wednesday 09 April is provisionally in the grids and has been cleared by No. 10;
- vi) Consider whether you would like to issue a press notice (draft shown in Annex 1) and other press office recommendations in presentational advice (see section x to y)
- vii) Note that an Industry Day is planned for the week starting the 21 April to brief the railway supply industry and finance market on the procurement process.

### **Timing:**

Urgent. A response is required by 3 April in order that the necessary preparations can be made to issue the OJEU notice during the week starting 7 April 2008.

## **Consideration**

### Background

You received a submission on the 20 March 2008 that gave an update of the Thameslink Programme. The submission included a discussion of the requirement for a new fleet of trains to deliver the outputs of the Thameslink Programme, and that the procurement process for these trains needs to be initiated during April to ensure that the vehicles can be operational when required (targeted for early 2012).

To operate the required service of 24 trains per hour (tph) through the central London core route section, from 2015, a fleet of up to 1100 carriages will be needed<sup>2</sup>. The trains will be of a new design since no current train could achieve the demanding performance characteristics (in particular the need for very short station dwell times and rapid acceleration and braking). These trains will take advantage of the developments in rolling stock design and will be consistent with the Department's Technical Strategy, in particular the objective of improved energy efficiency. An integral part of the Rolling Stock Project will be the construction of depot and stabling facilities for the new fleet of trains. An outline specification for the new trains has been prepared (and is summarised in Annex 2), this specification will be developed over the coming months and will be completed by the end June 2008.

The procurement of the necessary trains will be a significant rolling stock order, valued at [XXXX]

DfT Rail Projects are the Sponsor for the overall Thameslink Programme. The requirement for additional rolling stock has been set up as a project within the overall Thameslink Programme, with [XXXX] the SRO, and the sponsorship function led by the DfT Rail Projects Team.

### Procurement Strategy

Different procurement strategies for the Thameslink Rolling Stock have been considered. The primary options were a full Public Private Partnership (PPP) model of Design Build

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<sup>2</sup> The OJEU Notice will show a range of vehicles from 900 to 1300 vehicles. 1100 is the current best view of the numbers of vehicles required. The range reflects that demand levels may change between now and 2015 when the full fleet is introduced.

Finance and Maintain, or a Design, Build and Maintain with finance provided separately and a contractual structure similar to the majority of new rolling stock procurements. Rail Investment Board has endorsed a DBM approach which would be modified to enhance the level of risk transferred to the finance provider and procured through a process where train builders would be required to engage early with finance houses to provide a fully financed solution. It should be noted however that given the current finance market conditions the OJEU notice will be drafted in such a way so as to allow a different approach to the financing to be taken if necessary. The endorsed procurement strategy is different from the PPP approach that is being used for the Intercity Express Programme (IEP). The selection of this approach was on the basis that it will be more likely to broaden the finance market for trains, and would be quicker to conclude contracts than a PPP (and is therefore more likely to enable trains to be delivered when required).

[XXXX]

Rail Investment Board has endorsed that the procurement of the new trains should be in partnership with First Capital Connect (FCC), the current Train Operating Company that operates the Thameslink services.

DfT would lead the procurement process up to contract award, with FCC engaged to provide commercial, technical and operational input. Post contract award FCC would manage the process to successfully introduce the trains into passenger service.

### Procurement Programme

The schedule for the procurement of the new trains is shown in Annex 3. The schedule is based on experience from other similar procurement exercises and from some preliminary discussions with manufacturers who have indicated that the timescales are challenging but deliverable.

The intention is to release an OJEU notice in the week starting the 7 April (but in advance of the Local Government purdah period which begins on 10 April). The OJEU will invite Expressions of Interest (EOIs) from train manufacturers. The documentation released at OJEU stage is relatively high level, but gives an indication of the vehicle numbers, where they will be used and the need for the responders to demonstrate the ability to provide a fully financed offer.

An Industry Day is planned for the week starting 21 April and will be similar to the event held for the IEP in April 2007. Interested parties will be invited to attend a half day event

that will include presentations from officials regarding the Thameslink Programme. The event will also be an opportunity for manufacturers and financiers to make initial contacts.

EOIs will be received in early June, evaluated and then a short-list of accredited Bidders will be selected. Announcement of the successful parties planned for the end of July 2008.

An Invitation to Tender (ITT) will be issued to the short listed Bidders by October 2008. In advance of the issue of the ITT your approval will be required, since this effectively commits the Department to the procurement of the new trains. A submission seeking your approval will be provided during September 2008.

The schedule aims to have the first train available for testing in Autumn 2011, with the first train in passenger service by Spring 2012. The first trains will be used to strengthen the train service by operating additional trains of 12 carriage length<sup>3</sup>. As further trains become available they will be introduced onto other “Thameslink” routes, and in so doing they will enable the existing stock to be cascaded to other London commuter routes to lengthen trains.

The inter-relationship between the Thameslink Programme and the need for new rolling stock to deliver the other HLOS capacity enhancements has been recognised. Delivering the new Thameslink fleet as early as possible releases trains from existing Thameslink routes. These trains can then be operated on other parts of the network to deliver other HLOS capacity commitments. There is therefore a requirement to have the new Thameslink trains available for passenger service as early as possible, and this is currently targeted for Spring 2012.

### Governance Process

The Department’s Investment Appraisal Framework (IAF) requires investment proposals to go through a three stage approvals process. A “Provisional Approval” was endorsed in June 2007, and the DfT Board endorsed “Conditional Approval” for the Rolling Stock Project on 28 March 2008.

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<sup>3</sup> By 2011 some peak services on the Bedford to Brighton route will have been lengthened to 12 carriages. This will be achieved by utilising the limited number of suitable trains that exist in the South Central franchise.



In advance of the release of the ITT the Rolling Stock Project will be required to have an IAF “Full Approval”, and this will need to be endorsed at DfT Board and approved by you. This process will take place during August and September this year.

### Stakeholder Engagement

The Department has engaged extensively with Network Rail and Train Operating Companies in the development of the Rolling Stock Project. More recently Passenger Focus has been engaged to conduct detailed passenger research and focus group work, which is being used to inform the specification of the rolling stock.

### **Affordability**

The requirement for 1100 new design vehicles equates to a capital expenditure of between [XXXX]. However, in keeping with all rolling stock procurement, the funding of the capital and ongoing ownership of the Thameslink rolling stock will be the responsibility of the financier, and will be realised by the TOC as operational expenditure through rental charges to the financier.

The overall profile of costs for the vehicles is within the current budget for Control Period 4 (CP4). The impact of the new vehicles in CP5 is slightly higher than forecast at the time of compiling the High Level Output Statement (HLOS) and Statement of Funds Available (SOFA). However during CP5, the forecast cost impact of the new stock is covered by the forecast increased contribution of incremental revenue (based on the assumption that fares policy continues to allow annual rises of RPI +1%).

### **Value for Money**

The Thameslink Programme business case at the time of ‘Full Approval’ for the overall programme had a central case benefit cost ratio (BCR) of 2.08, with an NPV of [XXXX]. The cost and revenue impacts arising from the development work on the rolling stock project have been assessed and have been input to the same overall programme business case model to understand the impacts of the anticipated changes.

The central case has been re-run with the revised rolling stock cost data. The current assumption is a fleet size of 1100 vehicles and on this basis the BCR for the project becomes 2.02:1. To gain further understanding of the effect of the different rolling stock cost assumptions, further sensitivities have been commissioned to investigate the impact on the business case of higher and lower lease and maintenance costs. The analysis

indicates that the capital cost of the vehicles would have to rise by [XXXX] to move the BCR to low VfM (BCR 1.5:1 or below), and consequently the Value for Money assessment for the overall programme remains robust.

### **Presentation Issues**

[XXXX]

To capitalise on the good news elements of the story and manage the potential for negative or inaccurate coverage press office propose:

[XXXX]

Are you content with this approach?

### **Clearance**

This paper has been cleared by Legal, Finance and Press.

## **Annex 1 Draft Press Release**

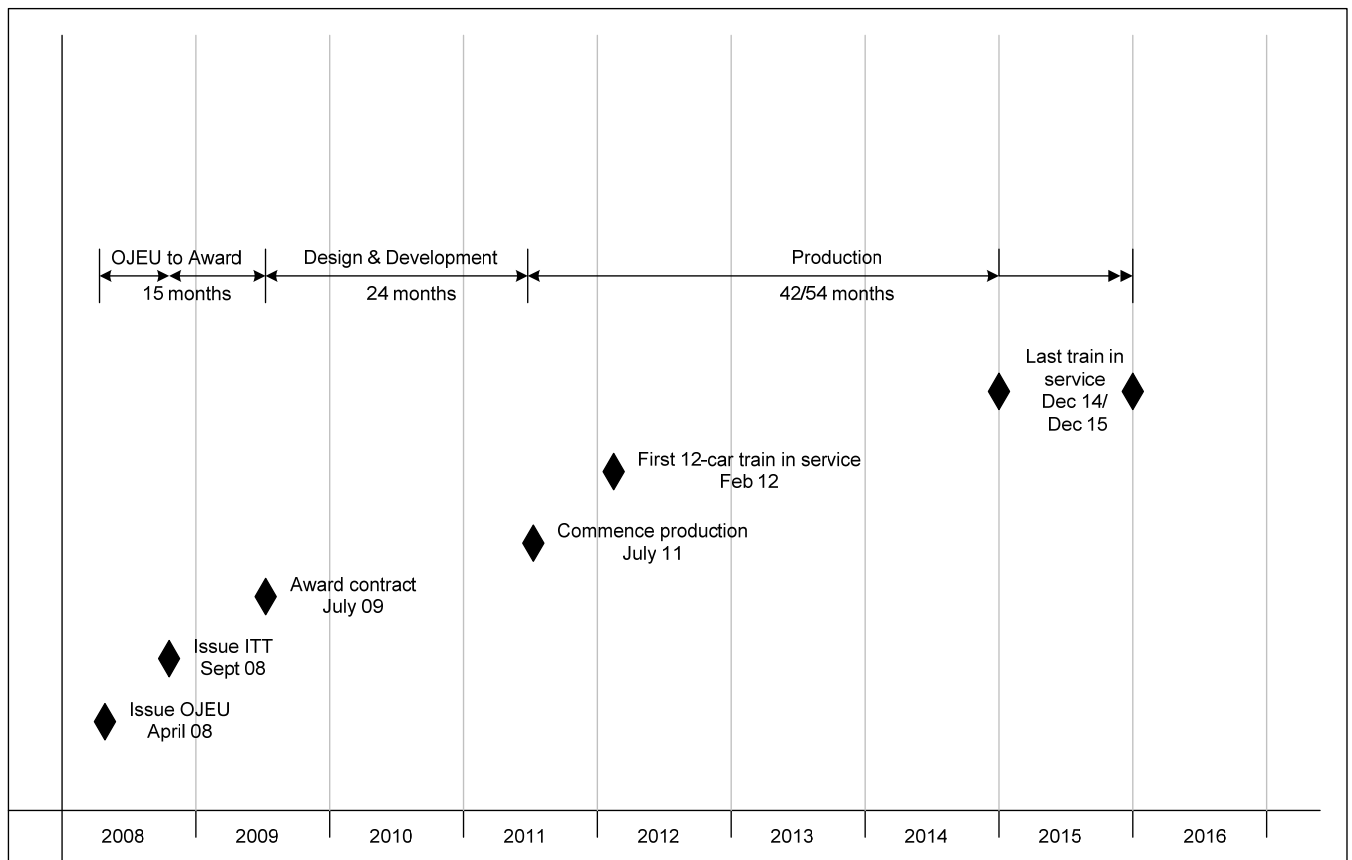
**XXXX**

## **Annex 2 – Summary of Rolling Stock Specification**

A High Level Specification document has been developed for the new rolling stock to accompany the planned OJEU notice, the key themes are summarised below:

- Metro levels of service – The train should have acceleration; braking and dwell time characteristics to enable the service to operate at reliable planned 2.5 min headway.
- Movement of high volumes of people and short dwell times – The train must be capable of allowing a total number of approximately 1000 boarders and/or alighters within 60 seconds of arrival at a station and be ready to move off again.
- Reliability – The train should have a reliability level (expressed in miles per casualty) superior to that of current Electrical Multiple Unit (EMU) stock. In the event of a failure requiring the train to be taken out of service the train should have the capability of self powered movement away from the central London core area.
- Environmental Impact – To minimise energy consumption the train should be lighter than current stock with a target of 32T per 20m length. The train should also be capable of regenerating electricity under braking back in to the power grid.
- Single technical platform – The entire fleet should be of a common design, though it is possible that variations to internal fit out may be used to reflect different market segments.
- Journey time and maximum speed – The trains should be capable of offering the journey times in the central London core section identified by the DfT, and also of operating at up to 100mph in the outer areas.
- Drivers' environment – The train should permit the driver to operate in a high quality environment maximising the capability to deliver the service requirements.
- Customers' Environment – The customer should experience an environment in terms of temperature, humidity, noise, ride quality, security and information systems commensurate with a modern design of rolling stock and compliant with current standards.

## Annex 3 - Programme Schedule



## **Annex 4 - Draft Press Notice**

[XXXX]

To: Secretary of State

From: Graham Dalton  
Location: 4/25  
Tel: 020 7944 XXXX  
Date: 7 April 2008  
Copies: XXXX

## **THAMESLINK ROLLING STOCK PROJECT**

### **Issue:**

The purpose of this submission is to provide you with updated briefing information regarding the Thameslink Rolling Stock.

### **Recommendation:**

That you:

- viii) Note the revised media advice
- ix) Note the draft letters to Shadow Transport Secretaries, Gwyneth Dunwoody MP, and Regional Ministers

### **Timing:**

Urgent. It is planned to release the OJEU notice on the 9<sup>th</sup> April.

### **Financial and Presentational Issues**

None at this stage.

### **Consideration**

1. You received a submission on the 31 March regarding the release of an OJEU notice to initiate the procurement process for a fleet of trains for the Thameslink Programme. You have approved the recommendations in the submission but have asked for:

- A revised press release notice, this has been provided under a separate submission
- Updated media handling advice (see Annex 1)

- Draft letters to Shadow Transport Secretaries, Gwyneth Dunwoody MP, and Regional Ministers (see Annex 2)

2. The Annex's attached to this submission cover the further information that you have requested. [Annexes redacted]

To: Secretary of State

From: XXXX

Location: 4/25

Tel: 020 7944 XXXX

Date: 15 November 2008

Copies: XXXX

## THAMESLINK PROGRAMME

### Issue:

Update on progress of the Thameslink Programme.

### Recommendation:

That you **note** that:

- a. it is planned to issue the ITT for the new Thameslink Rolling Stock on 27th November;
- b. you will receive a further submission on the 24th November seeking your approval to issue the ITT;
- c. whilst there is an assumed draft train service specification for the future Thameslink network, a formal consultation will take place in 2012/13 which will inform the final decision of the train service for the future Thameslink franchise.

### Timing:

Routine.

## Financial and Presentational Issues

None at this stage.

## Background

1. Following the publication of the Department for Transport's White Paper 'Delivering a Sustainable Railway' and the High Level Output Specification (HLOS), the Thameslink Programme was approved in July 2007.



2. A major programme of infrastructure works, delivered by Network Rail, has commenced. This infrastructure work will allow the operation of longer and more frequent trains and will provide three modernised stations with enhanced interchange facilities at Farringdon, Blackfriars and London Bridge.

3. These works will address the current constraint of a maximum 8 carriage train service. The ability to operate longer trains, with the majority of future Thameslink routes capable of 12 carriage operation, will reduce peak time crowding and provide capacity for future growth.

4. The benefits of the Programme will be delivered in phases as illustrated in Figure 1.

5. The first phase of works (termed Key Output 0 or KO0) will be delivered by March 2009 and is an enabling stage to allow major construction work at Blackfriars to commence.

6. Franchise Deeds of Amendments have already been signed with the three affected train operating companies. Completion of KO0 will have passenger benefits including 92 new carriages and there will be new travel opportunities arising from through train services from the Midland Main Line to Kent.

7. The first significant capacity enhancements for Thameslink will be introduced in 2011 (termed Key Output 1 or KO1) and will facilitate trains of 12 carriages to operate on the busy Bedford to Brighton route.

8. The completion of Key Output 1 will see an upgraded Farringdon station that will have much improved passenger circulation areas and a new ticket hall capable of providing a suitable interchange with Crossrail.

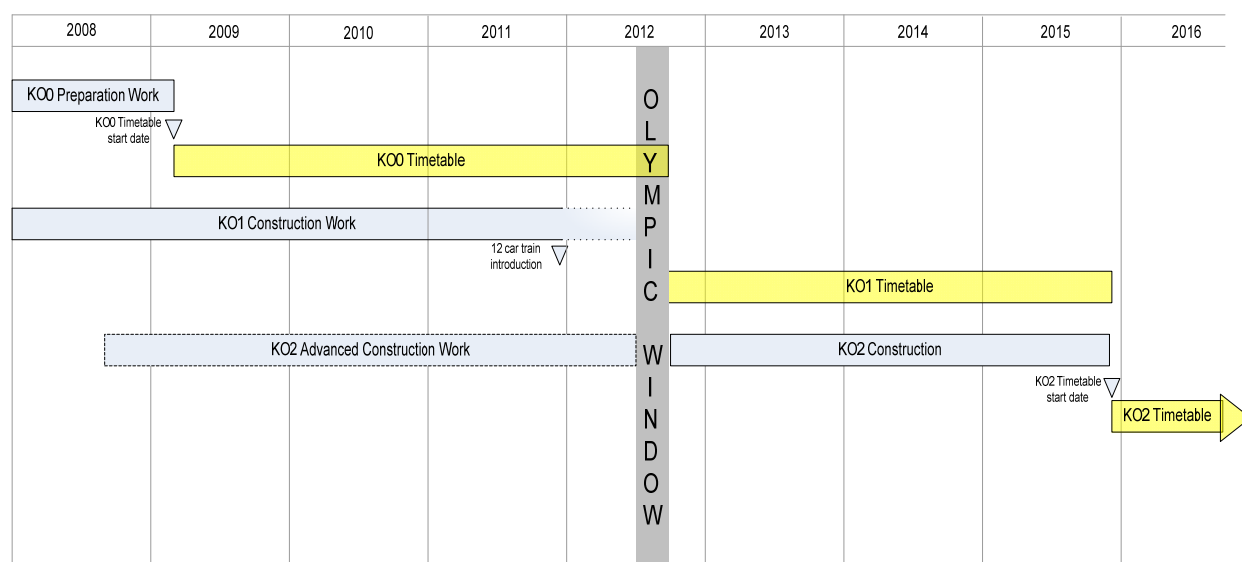


Figure 1: Thameslink Programme Delivery Phases

9. Blackfriars station will be extended across the River Thames and will also have much improved facilities including a ticket hall on the south bank of the River Thames, and a more direct interchange with the London Underground station (which will also be expanded and modernised as part of the Thameslink Programme).

10. The final phase of the Programme is Key Output 2 (KO2) and involves the reconstruction of London Bridge station with vastly improved interchange and circulation areas and more passenger capacity through the station. A new viaduct will carry two extra tracks above the Borough Market area.

11. This work, expected to be completed by 2015, will see the creation of new direct journey opportunities on the Thameslink route, including linking destinations on the Great Northern routes, such as Cambridge, directly to Gatwick Airport.

12. Completion of the Programme will permit Thameslink trains of up to 12 carriages to run at a frequency of up to 24 trains per hour (tph) in both directions through the central core during the peak, providing a much needed step change in capacity.

13. Additional trains will be required to operate the higher frequency service through central London to meet the KO2 specification. Since the current rolling stock would be unable to deliver the levels of performance, particularly in terms of boarding and alighting at the central London core stations (with trains every 2.5 minutes), the Department is leading the process to procure a suitable fleet of new trains. More detail on this aspect of the Thameslink Programme is shown in sections 15 to 25 of this submission.

14. The phased introduction of the benefits of the project will require changes to the existing franchise agreements to enable the revised train services to operate. However the introduction of the 24tph train service on completion of the project (by the end 2015) will be delivered through new franchise arrangements, following the expiry of the existing South-Eastern and First Capital Connect franchises, and the probable expiry of the forthcoming South Central replacement franchise.

## Rolling Stock Procurement

15. The primary output of the Thameslink Programme is the ability to operate trains with 12 carriages at frequencies up to 24tph through the core central London section. This level of service is similar to “metro” services operated on the Paris RER and delivers substantially more passenger capacity than London Underground’s tube lines. The intensity of service and the volumes of people boarding and alighting the trains will require a new type of train since no existing train will be capable of achieving the required levels of performance - in particular the trains will need to be able to move rapidly through the core central London section with high levels of acceleration and braking and very short station stop times (known as dwell times) and need to be extremely reliable.

16. The Department’s Rolling Stock Strategy, published in January 2008, noted that the Department would lead the procurement process for the Thameslink KO2 rolling stock.

17. The procurement process for the trains commenced on 9 April 2008 with the publication of a Notice in the Official Journal of the European Union (OJEU), and four bidders have been short listed (Alstom, Bombardier, Hitachi and Siemens).

18. The Invitation to Tender (ITT) for the supply of 1200 new vehicles is planned to be issued on 27th November 2008 (subject to approval through the DfT’s internal governance arrangements). The ITT document and associated draft contracts are currently being reviewed and you will receive a submission on the 24<sup>th</sup> November 2008 requesting approval to issue the ITT.

19. The DfT’s aim is a contract for the manufacture, maintenance and servicing support, together with financing for the Thameslink trains and new depots. The successful Bidder will be required to enter into contracts with First Capital Connect (FCC) the current Thameslink Great Northern TOC, who will be responsible for the management of the deployment of the new trains onto the network.

20. The proposed approach will include a performance regime to incentivise both the train Maintainer and Owner to ensure high levels of reliability. This approach differs from that proposed for IEP where the contract is for daily train availability (this approach was not considered appropriate for Thameslink, since vehicles will be regularly out-stabled away from depots, and hence a daily availability contract is not appropriate).

21. The Department will enter into an agreement with the successful bidder and FCC which will:

- i) enable the Department to regulate the termination of the other contract documents in the event of continued poor performance; and
- ii) provide for section 54 undertakings to the successful Bidder in relation to the termination of the Thameslink franchise agreements.

22. The specification of the new trains has been led by DfT, with significant input from FCC and Network Rail. Passenger Focus has also been consulted on the specification, and they have completed a research exercise to consider passengers’ views on different

aspects of the new trains. This work has directly influenced the specification of the new trains.

23. The project will provide the “next generation” commuter rolling stock, and will result in a new design of electric commuter train that will be the basis for similar future rolling stock orders (in particular Crossrail). The new Thameslink trains will be a significant development over existing designs. In particular the specification requires that the new trains will:

- be highly reliable, with a best in class performance of 50,000 miles between failures - the maintainer and owner will be penalised if the performance falls below certain specified thresholds;
- be fixed formations rather than made up of multiple units - this provides more passenger space by removing the need for intermediate cabs, and eliminates the performance impact of “splitting and joining” to make up smaller or larger formations;
- have excellent passenger information, luggage compartments, toilets, and well spaced grab poles (an important comment from the Passenger Focus research work) - a representation of the interior of the new stock is shown in Annex 2;
- be fully accessible allowing mobility impaired passengers to board and alight unassisted at central London stations;
- be more energy efficient, with a target of a 15% improvement over existing “new” rolling stock;
- reduce the impact on the Network Rail infrastructure with a consequent saving in whole life maintenance costs;
- have the ability to operate using an Automatic Train Operation (ATO) system in the core central London section - this is likely to be necessary to ensure that the throughput of services at 24tph can reliably be achieved;
- have wide passenger doors, and bigger door vestibule areas - this is a requirement of the design that is essential to enable passengers to board and alight trains in the short station dwell times. A consequence of this design requirement is that trains will have less dense seating compared to current (broadly) equivalent trains; and
- be maintained at two new purpose built depots (Hornsey and either Three Bridges or Tonbridge).

## Rolling Stock Programme

24. Since the announcement of short listed bidders in June this year, regular discussions have been held between the Department and the bidders and consideration has been given to the current financial market conditions. It is now forecast that the time from ITT

issue to contract award will range between 18 to 25 months (concluding between May 10 and December 10) depending on market conditions. The primary reason for this extended time period is the prevailing financial market conditions which are likely to require a large number of individual financiers to support the order. This makes the financing process more complex and time-consuming.

25. The schedule for delivery of the first trains onto the network is now likely to be between October 2012 and March 2013, however it is still forecast that the entire fleet could be delivered in time for the assumed completion of the Programme in December 2015.

#### Train Service Specification.

26. The Train Service Specification is the high level description of which destinations will be served by “Thameslink” trains. It details how trains will be “matched” north and south of London, and which services will operate in the peak and off peak. There is an assumed draft train service specification for the future Thameslink network, however a formal consultation will take place in 2012/13 which will inform the final decision of the train service for the future Thameslink franchise.

27. At the time of the Transport and Works Act (TWA) public inquiries into the Thameslink programme (in 2000 and in 2005), the train service specification was termed “indicative” and described the possible services that could operate on completion of the project. The train service specification was developed by Network Rail (and before them Railtrack) and dated from 1999. It is unlikely that this specification will be introduced on completion of the project, since both the demand for passenger services and train service enhancements already delivered (or planned to be delivered) have changed since the TWA inquiry – for example high speed domestic services will operate from Ashford directly to St Pancras International from 2009, so negating the rationale for a Thameslink service to Ashford.

28. Network Rail, through their Route Utilisation Strategies (RUS), has been examining the future use of the rail network on many of the routes impacted by the Thameslink Programme.

29. Network Rail has published the East Coast RUS and the South London RUS, and has begun work on RUS for the Kent and Sussex routes. All of these studies consider aspects of the possible Thameslink train services, and completion of the ongoing studies will be critical planning tools that will enable the Department to determine the final train service specification for Thameslink.

30. The Thameslink train service specification described in the Network Rail South London RUS has attracted some interest from industry, media and regional stakeholders. This “recommended” train service specification is different from the indicative train service specification shown at the time of the public inquiry (the TWA train service specification). The maps shown in Annex 1 show the origins and destinations of the South London RUS and the TWA train service specifications.

31. The primary differences between the two specifications are that Wimbledon loop, Dartford, Ashford, Epsom, Eastbourne and Littlehampton services included in the TWA

train service specification are replaced in the South London RUS train services specification with (some) Tonbridge, (some) Catford loop services and (some) Croydon via Sydenham services. The rationale behind these changes has been to promote an overall increase in capacity on routes into London, and to offer a more reliable service by reducing crossing moves at certain key locations, for example the approaches to Blackfriars station.

32. In putting these recommendations together the South London RUS Thameslink train service specification does not reduce the frequency of any train service into London. The majority of train services that were in the TWA train service specification, but are not in the South London RUS train service specification, will benefit from capacity enhancements through other committed enhancements such as the new South Central franchise or other HLOS capacity enhancements. The exception are the services from Eastbourne and Littlehampton where there is currently no commitment to improve the services provided.

33. The Thameslink Programme is currently assuming the South London RUS train service specification for the development of the project. The actual train service that will operate has not yet been determined, and will be the subject of development and consultation over the coming years. The Department will conduct a formal consultation in 2012/13 on the future "Thameslink" franchise (assuming the current franchise runs to its conclusion during 2015), which will help to inform the final detailed train service specification.

34. At this stage it is crucial that as many train service options as possible are kept open to enable an appropriate train service specification to be incorporated into the new Thameslink franchise that will operate from the end of 2015. To support this approach the specification in the ITT for the new Thameslink rolling stock ensures that the stock is capable of operating on many routes, including the Wimbledon loop or the routes to Eastbourne and Littlehampton, and hence there is nothing being "hard wired" into the design of the Thameslink Programme that would preclude these services being specified in the future.

## HM Treasury

35. Discussions have been held at official level with HMT to inform them about the progress of the Thameslink Programme and the schedule for issue of the ITT for the procurement of the new fleet of trains.

36. HMT may ask for an exchange of letters between yourself and the Chief Secretary to the Treasury to indicate that the Thameslink Programme remains affordable within forecast Departmental budgets. The costs modelled by DfT's technical consultants indicate that the rolling stock is affordable within HLOS funding (however there will be more certainty on costs when bids are returned from April next year).

37. If a letter is required a draft will be prepared and will be submitted to you as part of the submission requesting your approval to proceed with the ITT (which you will receive on 24 November).

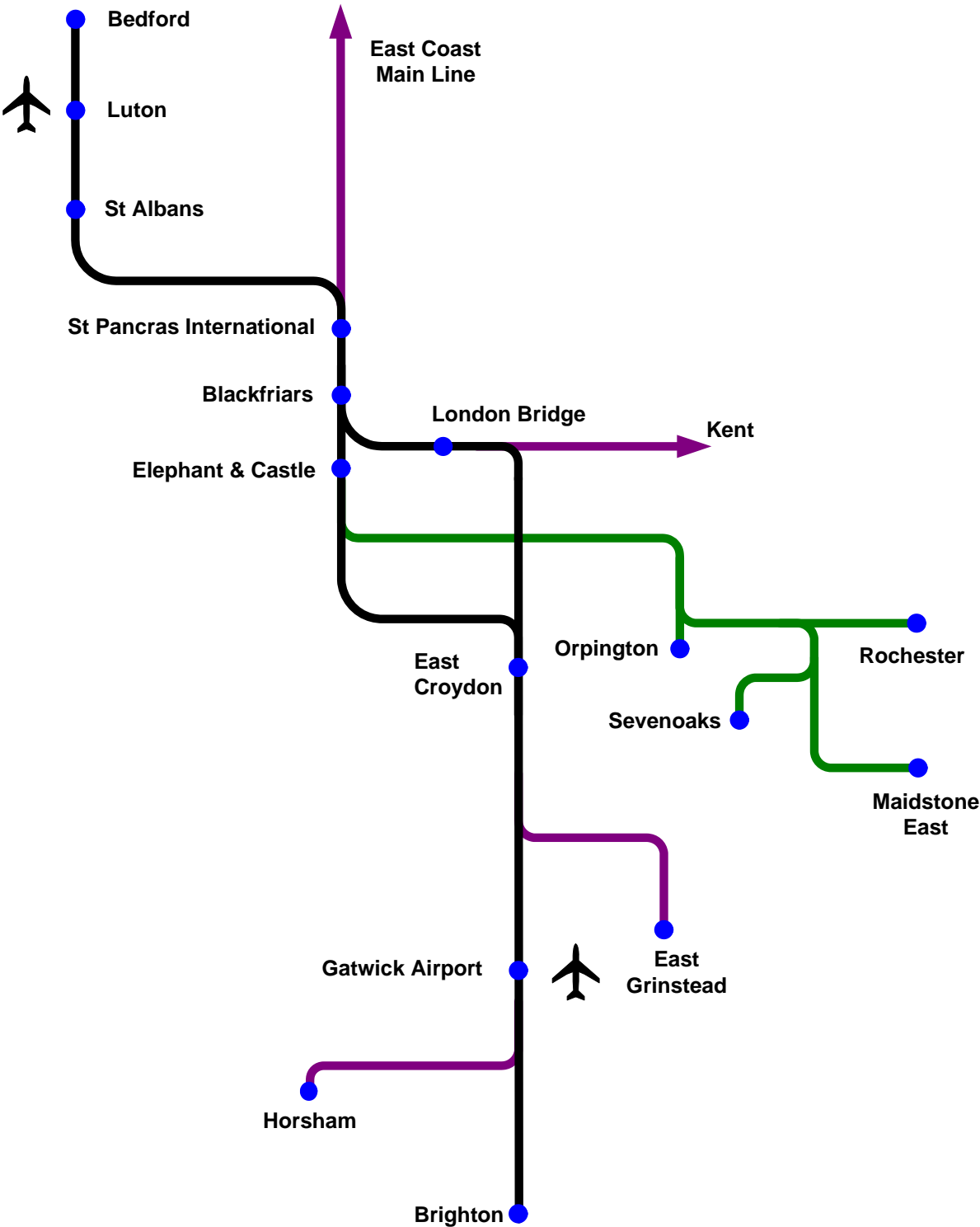
Press and Media Handling

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Clearance

38. This paper has been cleared by Central Finance and Press and Publicity.

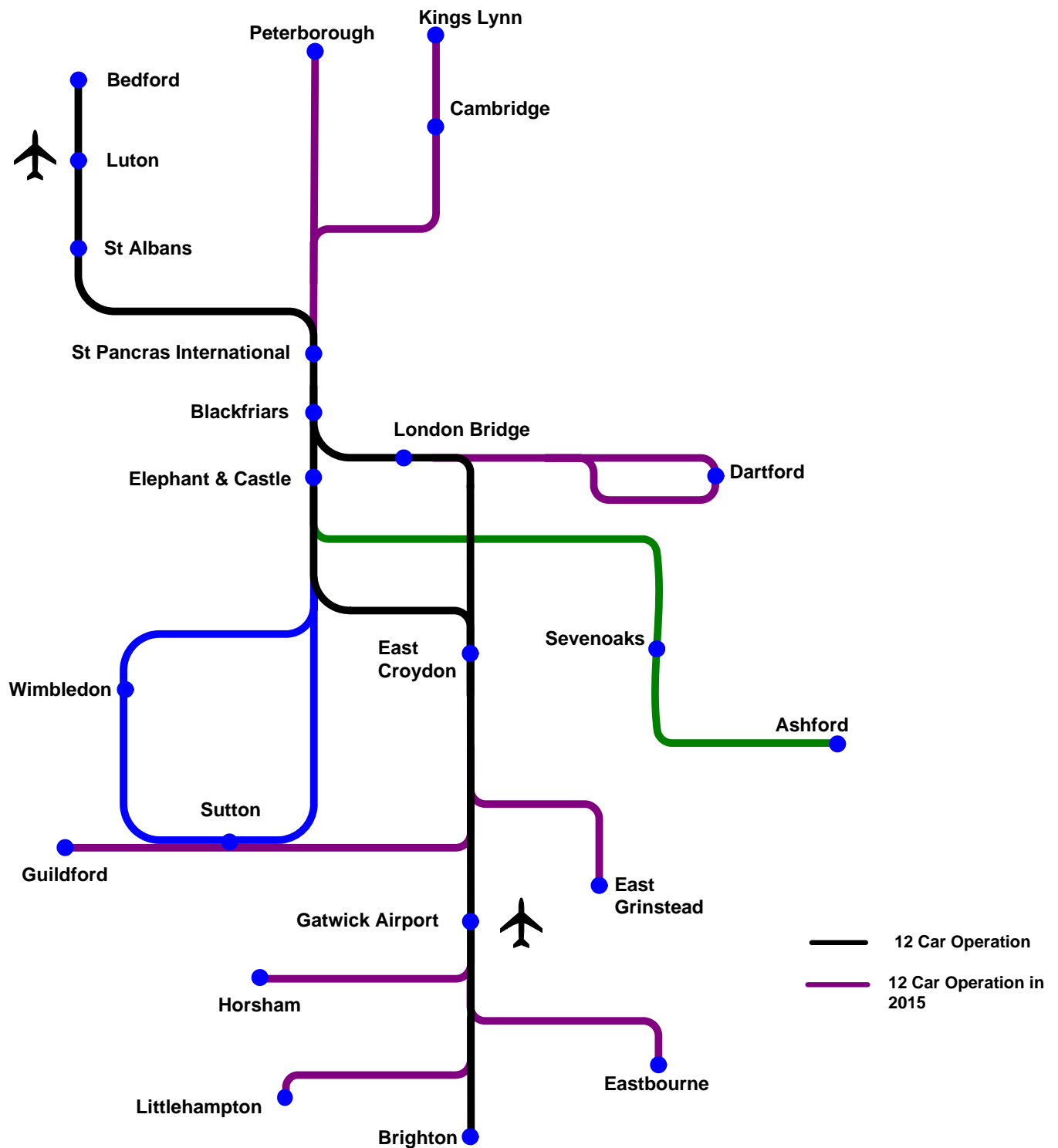
Annex 1  
Figure A1: South London RUS Train Service Route Map for 2015





## Annex 1

Figure A2: The TWA Train Service Route Map for 2015



## Annex 2 – (generated) Images of the new Thameslink Rolling Stock





# Department for **Transport**

## Annex 2 – (generated) Images of the new Thameslink Rolling Stock



+To: Geoff Hoon MP

From: Jack Paine  
Location: 3/25a GMH  
Tel: 020 7944 XXXX  
Date: 24-11-2008  
Copies: XXXX

## **PROCUREMENT OF THE THAMESLINK ROLLING STOCK CONTRACT**

### **RELEASE OF THE INVITATION TO TENDER (ITT) DOCUMENTATION**

#### **1. Issues.**

**1.1.** The Secretary of State has to give approval to four key stages in the procurement process. These stages were detailed in the October submission entitled **“Briefing to the Secretary of State on DfT Commercial Governance and Procurement Procedures”** and include stage three, the Invitation to Tender (ITT). The ITT stage follows the evaluation of the OJEU responses and only bidders who have passed the pre-qualification stage are invited to tender. The release of the ITT to shortlisted bidders means that the Department is likely (but not necessarily committed) to continue the procurement process through to contract award. It is at this point that bidders would normally commit an appropriate level of resources in an attempt to win the contract.

**1.2.** Unlike the Prior Information Notice (PIN) and OJEU procurement stages which are heavily templated the ITT is customised for the specific procurement project. The costs for commercial stakeholders responding to PINs or OJEU are comparatively low. ITT response costs are high and involve a high resource commitment by bidders.

**1.3.** The formal Departmental governance procedures were set out in the above submission and are summarised as follows;

**1.3.1.** The Director – Procurement reviews the ITT content to ensure compliance with procurement legislation, affordability, specification, deliverability and value for money.

At this point we confirm that the Secretary of State (SoS) is content with the specification in the ITT and that it aligns with SoS requirements. (NB; SoS has confirmed acceptance of the specification following the recent Thameslink rolling stock submission paper).

**1.3.2.** The Contract Award Committee (CAC is chaired by the Director – Procurement and includes representatives from legal, finance, technical and members of the sponsor’s team) meets to consider the content and scope of the ITT and decides if it is fit for purpose. If the ITT is fit for purpose it recommends, in this instance, acceptance to the Rail Investment Board (RIB).

**1.3.3.** RIB scrutinises the process and outcomes of the CAC meeting and endorses (or otherwise) the CAC decision.

**1.3.4.** The Director-Procurement then advises Ministers and seeks SoS approval to the release of the ITT documentation.

**1.4.** If the SoS approves the release of the ITT the full set of documents are sent to shortlisted bidders. A redacted (i.e. commercially edited) version is published on the DfT publically accessible website. At the same time a Press Notice is prepared to coincide with the release of the ITT.

## **2. Recommendations**

**2.1.** That you approve the release of the Thameslink rolling stock ITT subject to HMT sign-off.

**2.2.** That you note the Press Notice and other Communications material in Annex 1-3. This is extensive on the advice of colleagues in Communications.

## **3. Timing**

**3.1. Immediate.** The planned date for release of the ITT is 27<sup>th</sup> November.

## **4. Consideration**

**4.1.** The Thameslink rolling stock ITT has been reviewed by the Director-Procurement and I can confirm that it aligns with the compliance and governance requirements relating to procurement legislation, affordability, specification, deliverability and value for money.

**4.2.** I can confirm that CAC has decided that the Thameslink rolling stock ITT is fit for purpose and that RIB has endorsed this decision.

## **5. Others.**

**5.1. Legal and Finance.** Both the legal and finance teams are represented on CAC and RIB.

**5.2. Communications.** The sponsor and the communications teams discussed the Press Notice and associated communications material shown in **Annex 1-3. The full suite of documents is attached.**

**5.3. NB;** In this case HMT and DfT officials have agreed that the SoS does not need to clear this action with the Chief Secretary to the Treasury. Release of the ITT is subject to confirmation by HMT officials which we expect imminently.

Jack Paine

**Director-Procurement.**

**25-11-2008**

**[Annexes redacted]**

