



XXXXX
Rail Service Delivery
Department for
Transport
76 Marsham Street
London
SW1P 4DR

Direct Line: 020 xxxxx
Fax: 020 xxxxx
FOI Ref: p0007053

21 January 2011

XXXXX

Dear XXXXX

REQUEST UNDER THE FREEDOM OF INFORMATION ACT 2000

I am writing regarding your request of 3 November 2010. I apologise for the delay in replying to you. In that request, you asked us for the following information about East Coast Main Line:

- *Is East Coast making premium payments to government, or getting paid a subsidy?*
- *East Coast leased some Class 180 Adelante trains for a now abandoned Lincoln - London service. Where are these trains, who is paying for them, what is their future and why take a Pendolino when these trains are available and already work on the ECML. How is DfT ownership of EC involved in this situation?*
- *Has EC (East Coast) appointed / appointing a long term marketing agent? EC is running an "anti airline campaign" in regional and national press. How does EC justify the state competing against private sector airlines, using state funds? How is the balance of cost and revenue gain measured considering the need to maximise premium return to the government?*
- *The previous Secretary of State for Transport announced that the franchise would be run by the state for a period of approximately 12 months. This created a market expectation. What is the current plan for inviting potential bidders for the ECML.*
- *Could the role of First Class Partnerships within East Coast / DfT be explained and the role of FCP in advising the DfT on Train Operating Companies and other franchise bids.*

I trust the following information answers your questions, DfT internal documents discussing possible timescales for re-activating the Intercity East Coast (ICEC) refranchising process have been withheld as they constitute advice to Ministers and under FOI, under Section 35 of the Freedom of Information Act: formulation of government policy.

I confirm that East Coast makes premium payments to government and does not receive a subsidy.

National Express East Coast (NEXE) leased 5 x Class 180 Adelante units from the owner Angel Trains (AT) a leading train leasing company. When NEXE was terminated the leases passed on to East Coast Main Line (ECML) as the new operator of the Franchise. At the moment 3 x Class 180 units are sub leased by ECML to Northern Rail and one unit is sub leased to Hull Trains to support their reliability programme and the final one is stored at Old Oak Common.

When the lease between ECML and AT comes to an end it will be for the owner AT to find a future lessee for the vehicles. With regard to the Pendolino a final decision has not been made and ECML are continuing to look at the feasibility of operation on the East Coast for a short period of time to provide extra capacity.

East Coast is not running an "anti airline campaign". By means of marketing initiatives; East Coast has pointed out the advantages of travelling by rail; allowing the passenger to make an informed choice regarding which form of transport is the most appropriate and convenient for their journey.

East Coast is semi independent of the Government and has a key responsibility to generate income from fares in order to maximise return to the Government. Marketing initiatives are a commercial issue for which the TOC is solely responsible. East Coast are currently tendering for an advertising agency through the OJEU process. The intention is to award a one year contract.

FCP has a call-off contract with DfT to advise on Operator of Last Resort issues. It was in that capacity that it was involved in the termination of the NEXE franchise in 2009. Under this contract it is not involved in advising DfT on franchise bids.

The previous NEXE franchise was terminated at 23:59 on 13 November 2009 and operation of ICEC services was taken over by the public sector operator, *East Coast*.

In accordance with EU procurement procedures, the Department issued a Services Prior Information Notice on 24/11/09 which stated that:

Intercity East Coast (ICEC) Franchise will be invited to tender in autumn 2010. It is intended to announce the award of the ICEC Franchise in spring 2011 and for the franchise to start by the end of 2011."

The Department issued a consultation document on 19 January 2010 which stated that:

“The operation of ICEC services is presently being undertaken by a wholly owned DfT subsidiary company, East Coast Main Line Company Limited, until the franchise can be re-let. The Department expects the new franchise to commence in autumn 2011.”

Following the change of Government in May 2010, a review of franchising policy is being undertaken. In a Written Ministerial Statement on 17 June 2010 the Minister of State said:

“It is also expected that there will be some consequent changes to the procurement timescales previously published for the InterCity East Coast franchise. Rail services will continue to run as normal on all affected franchises. A Prior Information Notice (PIN) setting out the Department’s proposed future rail franchising programme will be issued in due course.”

This is the latest public statement on InterCity East Coast Refranchising Timescales.

Yours Sincerely,

XXXXX

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