Dear Louise Ellman MP,

PRE-QUALIFICATION OF BIDDERS FOR THE NORTHERN AND TRANSPENNINE EXPRESS RAIL FRANCHISE COMPETITION

Given Parliamentary recess and being unable to make an announcement in the House, I am writing to you in order to inform you of the companies that have passed the Pre-Qualification Questionnaire (PQQ) stage of a) the Northern and b) the TransPennine Express (TPE) franchise competitions.

- For the **Northern refranchising competition**, note that the following pre-qualified Applicants will receive the Northern Franchise Competition Invitation To Tender:
  - Arriva Rail North Limited
  - Abellio Northern Limited
  - Govia Northern Limited

- For the **TPE refranchising competition**, note that the following pre-qualified Applicants will receive the TPE Franchise Competition Invitation To Tender:
  - Stagecoach TransPennine Express Trains Limited
  - First TransPennine Express Limited
  - Keolis Go-Ahead Limited

This shortlisting follows the launch of both of these competitions in June 2014, with both competitions scheduled to award contracts in late 2015 before commencement of operations in February 2016.

There have been great improvements in the railways nationally and regionally since privatisation. We have seen record growth in passenger numbers, achieved much higher levels of passenger satisfaction and one of the best safety records in Europe. This growth has been particularly strong in the north of England with both franchises experiencing greater numbers of
passengers than predicted when the franchises were last let. We want to continue to build on this and to deliver excellent railway services for passengers across the region; providing value for money for both passengers and taxpayers.

The public consultation on both franchises, which concluded yesterday, invited views from the public and from stakeholders on the requirements that might be included in the base case specification and the options that might be considered, in order to provide a railway that supports the growth in passenger numbers we expect to see and delivers the wider economic benefits it is capable of.

This Government has committed to a major programme of investment in the rail infrastructure in the north of England. The projects currently underway, such as the £600m Northern Hub schemes, aim to allow substantial increases in capacity, improved journey opportunities and cleaner and more efficient operation through route electrification. We will be seeking to deliver these benefits through the TransPennine Express and Northern franchises, while also balancing the desire to secure significant efficiency improvements to ensure the taxpayer benefits. We are in the process of reviewing views received during the consultation period on the best way to achieve this.

We want to ensure that the Northern and TransPennine Express franchises we deliver take into account the needs of the people that will use them. To that end we are working closely with Rail North, a body bringing together the local transport authorities across the whole of the north of England, in the development of them.

We are confident that our developing partnership with Rail North will help to bring a stronger local focus to the two franchises. Through this, and the skills, investment and innovation brought by the successful bidders, we can deliver a top class railway for the north of England.

Please note that I am placing a copy of this letter in the Libraries of both Houses.

Yours sincerely

[Signature]

P.P. THE RT. HON. PATRICK McLoughlin