

Rail Minister on current and expected rolling stock procurement opportunities

February 23, 2024



The HS2 and Rail Minister Huw Merriman has written a letter to UK train manufacturers and rolling stock companies about the current and expected rolling stock procurement opportunities.

It comes after the Managing Director of Alstom UK and Ireland warned in December that there were six weeks of manufacturing work left at the Derby site.

Speaking at the Transport Select Committee, Nick Crossfield said: “In six weeks we go from an annual output of 650 cars employing 3,000 people to zero at the end of January. Today I have the supply chain already showing liquidations.

“The timing of these (new/refurbished rolling stock) decisions is critical, because if I don’t get clarity in six weeks it all goes and in the future we’ll be pulling in from China, we’ll be pulling in from the Middle East. It is a very different supply chain and once you lose it you don’t get it back.”

In the letter, that was sent last month, but has only just been made public, Huw Merriman described rail manufacturers and their suppliers as playing a vital role in growing the UK economy, in delivering better services for passengers and freight users, and in meeting global environmental challenges.

He wrote: “The government remains committed to supporting a world-class UK-based engineering industry, and we are well aware of the very difficult trading environment currently facing UK-based rolling

stock manufacturers and their suppliers.

“Despite the challenging conditions we continue to face, new competitions are now underway to replace trains on Northern, Transpennine, Southeastern and Chiltern, subject to business case approval.

“There are also several major fleet upgrades underway, including an upgrade of GTR’s Electrostar fleets, a planned refurbishment of the Cross Country Voyager fleet, and a major refurbishment of the Pendolino fleet which is being carried out by Alstom at its Widnes site.”

In the letter the HS2 and Rail Minister encourages UK train manufacturers and rolling stock companies to work with open access and other UK operators to identify further opportunities of business, as well as working with international partners to seek export opportunities.

He said: “We remain committed to provide as much clarity about the near-term pipeline of domestic orders as possible to rolling stock manufacturers and their suppliers, financiers and ROSCOs, so that the industry can manage its own capacity and plan its investments accordingly.”

Operator	Size of contract as per contract notice	Indicative contract award date	Indicative Earliest expected delivery date	Published on Find a Tender
Northern	Up to 450 units (nominally around 1000 vehicles)	2025	2029	Yes
South Eastern	Core order between 350 and 570 vehicles with an option for an additional 70 vehicles.	Early 2025 but considering scope to bring forward to December 2024	Autumn 2027 (if new)	Yes
Chiltern	Between 20-70 new or converted units (nominally 90 vehicles)	Early 2025	End 2028 / early 2029	Yes
Transpennine Express	29 units up to 195 metres in length with an option for a further 26 units. (nominal 174 to 330 vehicles)	Mid 2025	Mid 2029	Yes

In addition, Mr Merriman has said he expects further competitions to take place over the next two to three years, subject to confirmation of need and business case approval. Although stressing these should not be viewed as firm commitments, the examples he gives are Great Western conducting initial market engagement on options for replacing their class 15X and 16X fleet which are approaching life expiry. Any

proposals would be subject to business case approval and the outcome of any competition.

In addition, there may also be significant opportunities from Devolved Administrations and open access operators.

An Alstom spokesperson said: "Discussions are continuing with the UK Government over the future of train manufacturing in Derby.

"The UK remains one of Alstom's most important global markets and we continue to operate 36 sites throughout the country across our Rolling Stock, Services, and Digital and Integrated Systems businesses. We look forward to fulfilling our current commitments and successfully competing for rolling stock opportunities across the UK in the future."