

Glossary

Abbey	Abbey National plc.
AC rolling stock	Rolling stock which is powered by electrical energy drawn from the railway infrastructure—specifically an overhead line at 25kV AC.
Agility Trains	A consortium made up of Barclays Private Equity, John Laing and Hitachi which has been selected as the preferred bidder for a £7.5 billion contract to build and maintain a fleet of new Super Express trains as part of the IEP .
Alstom	Alstom SA. A manufacturer, maintainer and overhauler of rolling stock and railway equipment.
Angel	Angel Trains Limited. One of the three ROSCOs . Previously a wholly-owned subsidiary of RBS from December 1997 to June 2008. In August 2008, it was sold to a consortium of investors, including Babcock and Brown European Infrastructure Fund.
Antin IP	Antin Infrastructure Partners. A BNP Paribas sponsored infrastructure fund.
Arriva	Arriva plc, a UK-based transport company which owns two current TOCs , Arriva Trains Wales and Arriva Cross-Country .
Arriva Cross-Country	XC Trains Ltd. A TOC owned by Arriva plc, which currently operates services on the New Cross Country rail franchise. These services are branded as Cross Country.
Arriva Trains Wales	Arriva Trains Wales Ltd. A TOC owned by Arriva plc, which currently operates services on the Wales and Borders rail franchise.
Asset beta	A parameter in the CAPM that is a measure of volatility of an un-g geared entity relative to the market.
BAA	BAA Limited. The British Airports Authority.
Babcock & Brown	Babcock & Brown Ltd. Part of the consortium of investors which acquired Angel in August 2008.
Barclays	Barclays plc.
Beta	A parameter in the CAPM that is a measure of volatility (ie its risk), it is a measure of how much the value of stock will move relative to the market (usually represented by an all share index).
Bombardier	Bombardier Transportation UK Ltd. A manufacturer, maintainer and overhauler of rolling stock and railway equipment.
c2c	c2c Rail Limited. A TOC owned by National Express which currently operates the Thameside (London, Tilbury & Southend (LTS) franchise).
Call option	Call options give the Government the right to require the ROSCOs to enter into a new lease with the Government (or a TOC nomin-

ated by the Government) for up to three years from the end of the current franchise at essentially the same **lease** rental for the rolling stock as the previous **lease**.

Capital rental	The rental paid by a TOC to a ROSCO to lease rolling stock assets but excluding maintenance rentals.
CAPM	Capital asset pricing model. A model of asset pricing used to analyse the relationship between risk and expected return in securities.
Carriage	A vehicle on a railroad (or railway) that is not a locomotive .
Cascade	The movement of rolling stock throughout franchises that is brought about by the introduction of new rolling stock in one franchise.
CB Rail	CB Rail Ltd. A joint venture between HBOS and Babcock and Brown.
Chains of substitution	Used in the process of defining a market, where two products that are not direct substitutes can at time be included in the same market—for example, where product A is a potential substitute for product B and product B is a substitute for product C. Despite not being direct substitutes, A and C may in some instances be considered to be in the same market if they are constrained by their common relationship with B.
Chiltern	A current rail franchise. Its services are operated by Chiltern Railways .
Chiltern Railways	Chiltern Railway Company Ltd. A TOC , which currently operates services on the Chiltern franchise. Previously owned by Laing Rail , it was purchased in 2008 by Deutsche Bahn and is now part of Deutsche Bahn's DB Regio division.
Class	A classification system for identifying particular types of rolling stock. Diesel locomotives have class numbers between 0 and 69, electric locomotives between 70 and 99, DMUs between 100 and 199, DEMUs between 200 and 299, AC and AC/DC EMUs between 300 and 399, and DC EMUs above 400.
Coach	A vehicle that can carry passengers and which may or may not form part of a multiple unit .
Code of Practice	Each of the ROSCOs has a Code of Practice in place which includes a set of commitments that govern the ROSCOs' relationship with existing and prospective customers. These commitments include a stipulation that all customers can expect to receive fair and equitable treatment from the ROSCOs . It also specifies that the ROSCOs will not discriminate between customers (referred to as the non-discrimination requirements), except on the basis of the criteria outlined in the Code. The ROSCOs introduced the Codes of Practice following a review of the rolling stock market by the ORR in 1998. Each ROSCO has published its own individual code which differ slightly.

Cold storage	The practice of storing off-lease rolling stock in a warehouse or sidings where routine maintenance or preservation activity is not undertaken (as opposed to warm storage).
Concession	An arrangement for the provision of passenger rail services which shares some similar features to a franchise, but is more akin to a management contract where the specification is fully priced and set out in the contract, and the revenue generated goes directly to the authority letting the concession.
Countervailing buyer power	Also referred to as buyer power, it is where a buyer, either because of, for example, its size or commercial significance to its suppliers, has market power which gives it the ability to prevent the exercise of market power by its suppliers.
Crossrail	A project to build major new railway connections under central London. The name is also used to refer to the first route proposed by the project, which is based around an east–west tunnel from Paddington to Liverpool Street station, and more formally known as Crossrail Line 1.
CTRL DS	Channel Tunnel Rail Link Domestic Services.
DB Regio	DB Regio UK Ltd. The subsidiary of Deutsche Bahn which owns Chiltern Railways and jointly operates Wrexham, Shropshire and Marylebone Railway and LOROL .
DCF	Discounted cash flow. An analysis based on estimates of future cash flows discounted back to present value using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.
DC rolling stock	Rolling stock which is powered by electrical energy drawn from the railway infrastructure—specifically a third rail alongside the track at nominally 650 to 750V DC.
Debt beta	A parameter in the CAPM that measures the volatility of the price of a company's debt relative to the market.
DEMU	Diesel electric multiple unit . A multiple unit powered by one or more diesel engines incorporating an electrical transmission.
Deprival value	The value of the loss that a business would suffer if it were deprived of the asset. Defined as the lower of the asset's (a) replacement cost or (b) economic value .
Deutsche Bahn	Deutsche Bahn AG. The German national railway operator. In 2008 it purchased Laing Rail and through its subsidiary DB Regio now owns Chiltern Railways and jointly operates WSMR and LOROL . It also wholly owns EWS .
DfT	Department for Transport. The UK government department responsible for the transport network in England and certain non-devolved transport matters in Scotland, Wales and Northern Ireland.

Direct agreement	An agreement between the Government and the ROSCOs that in part enables the Government to be able to fulfil its section 30 duty , by among other things giving the Government various contractual options to lease rolling stock from the ROSCOs in the event of an early termination of a lease between a ROSCO and a TOC .
DMU	Diesel multiple unit . A multiple unit powered by one or more diesel engines incorporating a mechanical or hydrostatic transmission.
DRC	Depreciated replacement cost. The replacement cost of an item adjusted for economic depreciation.
Dry lease	A lease where the TOC takes contractual responsibility for providing both heavy and light maintenance work.
Dual voltage	A train or EMU capable of operating using either the 25Kv AC or 750v DC systems of electrification. Also referred to as 'dual fitted' or 'dual power'.
DVT	Driving van trailer. A non-passenger-carrying vehicle .
East Coast Main Line	The electrified high-speed railway link between London and Edinburgh connecting Yorkshire, north-east England and Scotland.
East London Railway	The former East London underground line, which is currently closed for extension works and which will reopen in 2010 as part of the London Overground network.
East Midlands	A current rail franchise formed in 2007 by the amalgamation of the former Midland Mainline franchise with the eastern part of the former Central franchise. Services on this franchise are currently operated by East Midlands Trains .
East Midlands Trains	Stagecoach Midland Rail Limited. A TOC owned by Stagecoach . It currently operates services on the East Midlands franchise.
EBIT	Earnings before interest and tax.
Economic value	The higher of either the value in use of an asset or its realizable value.
EMU	Electric multiple unit . A multiple unit powered by electrical energy drawn from the infrastructure.
Equity beta	A parameter in the CAPM that is a measure of volatility of the price of a company's equity relative to the market.
ERP	Equity risk premium. The amount of extra return to compensate investors for taking on the relatively higher risk of the equity market compared with a risk-free investment.
Eversholt	Eversholt Leasing. Former name of HSBC Rail (UK) Limited.

EWS	English, Welsh and Scottish Railway Ltd. A freight rail company operating in Great Britain.
Fair value	The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. This is usually equivalent to economic value .
First Capital Connect	First Capital Connect Ltd. A TOC , owned by First Group , which currently operates services on the Thameslink/Great Northern rail franchise.
First Great Western	First Greater Western Ltd. A TOC , owned by First Group , which currently operates services on the Greater Western rail franchise.
First Group	First Group plc. A transport company which wholly owns the following TOCs : First Capital Connect , First Great Western , and First ScotRail . It jointly owns one other TOC , First TransPennine Express (with Keolis), and one open access operator, Hull Trains (with Renaissance Trains).
First ScotRail	First ScotRail Limited. A TOC , owned by First Group , which currently operates services on the ScotRail franchise.
First Trans Pennine Express	First/Keolis TransPennine Limited. A TOC , jointly owned by First Group and Keolis , which currently operates services on the Trans Pennine rail franchise. It has been previously branded as Trans Pennine Express.
Fleet	Either (a) a group of one particular class of trains owned by a ROSCO which is operated by a TOC or (b) all the trains of one particular class owned by a rolling stock lessor (which may be leased to more than one TOC).
Franchise	The services for the carriage of passengers by railway designated under section 23 of the Railways Act 1993 (as amended) to be provided under a franchise agreement by a franchisee.
Franchise agreement	An agreement with Scottish Ministers (for the Scottish franchise (ScotRail)) or the Secretary of State and the Welsh Assembly Government jointly (for the Welsh franchise (Wales and Borders)), or the Secretary of State in relation to all other franchises under which a franchisee agrees to provide services for the carriage of passengers by rail throughout the franchise term as designated in accordance with section 23 of the Railways Act 1993 (as amended).
Franchisee	The TOC that provides the franchised services or a person who undertakes to secure that a subsidiary wholly owned by him provides the franchised services.
Franchise ITT	Franchise invitation to tender. Statement of the DfT 's expectations as to the services to be provided on a franchise, against which TOCs will prepare bids to be awarded a franchise agreement.

Franchise re-let	The situation where a franchise agreement comes to an end and a new franchise agreement is awarded.
Franchising authority	The authority that selects the person who is to be franchisee from those to submit tenders in response to an ITT, being: the Scottish Ministers for the Scottish franchise (currently ScotRail); and the Secretary of State for all other franchises.
Gearing	Debt as a proportion of debt plus equity, expressed as a percentage.
Go-Ahead	The Go-Ahead Group PLC.
Govia	Govia Ltd. A transport company which currently operates the Southern, Southeastern and London Midland TOCs . It is jointly owned by Go-Ahead and Keolis .
Grand Central	Grand Central Company Railway Ltd. An open access operator.
Greater Anglia	A current rail franchise. Services are operated by National Express East Anglia .
Greater Western	A current rail franchise. Services are operated by First Great Western .
Great Western Main Line	A railway line that runs westwards from London Paddington station to Temple Meads station in Bristol.
Halifax	Halifax Leasing (September) Limited. Now part of HBOS plc.
HBOS	Halifax Bank of Scotland plc. In January 2009 it became a wholly-owned subsidiary of the Lloyds Banking Group plc.
Heathrow Connect	An open access operator service jointly operated by BAA and First Group .
Heathrow Express	An open access operator owned by BAA .
Heavy maintenance	The planned overhaul of major components of rolling stock requiring a longer duration of repair or a greater level of facilities than required for light maintenance .
Hitachi	Hitachi Ltd. A Japan-based manufacturer of railway vehicles .
HLOS	High Level Output Specification, a statement published by the Secretary of State for Transport setting out the improvements he or she wants to secure for the rail network for the next five years and how these improvements are to be funded.
HSBC	HSBC Rail (UK) Limited, a wholly-owned subsidiary of HSBC Group . One of the three ROSCOs .
HSBC Group	HSBC Holdings plc.
HSH Nordbank	HSH Nordbank AG.

HST	High speed train . 125mph diesel train built by British Rail, comprising a power car (effectively, a Class 43 locomotive with a driving cab) at each end and up to nine Mark III coaches . This train is also referred to as an Intercity 125 or IC 125.
Hull Trains	Hull Trains Company Limited. An open access operator which is jointly owned by First Group plc and Renaissance Trains .
ICEC	Inter-City East Coast franchise. A current rail franchise. Services are operated by National Express East Anglia .
IEP	Intercity Express Programme. A DfT -coordinated project to procure a new fleet of intercity express trains which will replace the diesel HST fleet , the electric intercity trains on the East Coast and Great Western Main lines, and may also be extended to other services.
IFRS	International Financial Reporting Standards.
Impairment charge/provision	A provision or charge made for writing down the book value of an asset in statutory accounts.
Incumbent rolling stock	Rolling stock that a TOC has on lease from a rolling stock lessor and is already in use on that particular franchise.
Indifference pricing	A method of price calculation used to set the initial lease rentals of MOLA rolling stock at privatization. The lease rentals were based on the finance lease rental of equivalent replacement rolling stock adjusted to reflect the revenue and cost characteristics of existing rolling stock compared with new rolling stock and to include an operating lease premium. It can also refer to the process of setting lease rentals such that potential customers are expected to be indifferent between a fleet of rolling stock and potential substitute fleets taking account of relative rentals, costs and revenue earning capabilities.
Information Memorandum	The formal documentation supplied to prospective purchasers which includes financial and other information about the businesses for sale.
Integrated Kent	A current rail franchise. Services are operated by Southeastern .
Intercity	Generally, the type of rail service provided between major towns and cities, usually at high speeds and with limited calling points. Can also refer to the type of trains used to provide these services.
Intercity 125	Also referred to as IC 125—see HST .
Intercity 225	Also referred to as IC 225, a locomotive -hailed train comprising a Class 91 locomotive , and nine Mark IV coaches and a driving van trailer.
Inter-City West Coast	A current rail franchise. Services are operated by Virgin Trains .
IPO	Initial Public Offering, when a company issues common stock to the public for the first time.

IRR	Internal rate of return. The discount rate that will give an investment a net present value of zero, which can also represent the return which can be earned on capital invested in a project or asset.
Keolis	Keolis (UK) Ltd. It is the joint owner, along with First Group , of First TransPennine Express. It is also a joint owner, along with Go-Ahead , of Govia , which currently owns the Southern , Southeastern and London Midland TOCs .
Laing Rail	Laing Rail Ltd, a former subsidiary of John Laing plc. Laing Rail was purchased in 2008 by Deutsche Bahn and is now part of Deutsche Bahn's DB Regio subsidiary.
Lease	An agreement between an owner of rolling stock (lessor) and a TOC or other operator of rolling stock (lessee) which allows the lessee to use the rolling stock for a specified number of years in exchange for a specified rent.
Life-expired stock	Rolling stock which has reached the end of its service and is unlikely to be leased in the future. This is usually close to the end of its useful economic life .
Light maintenance	Day-to-day maintenance of a vehicle, unit or train . Includes servicing (including fuelling where necessary), inspection, examination and repair of defects, scheduled repairs to machines, the scheduled replacement of consumable items such as electrical brushes, brake pads and filters and cleaning etc.
Livery	The design and paint scheme a company will use on its vehicles . At the start of a franchise, the rolling stock that is used on the franchise will usually need to undergo a livery change (re-livery) in order to fit with the franchisee's branding. Livery changes include repaints or vinyls and changes in signage and logos.
Lloyds TSB	Lloyds TSB plc (now Lloyds Banking Group plc).
Locomotive	A self-powered vehicle , with no passenger-carrying capability, used to haul (or propel) coaches (or freight vehicles). May be electric or diesel powered.
Lombard	Lombard Leasing Contracts Limited. Originally a subsidiary of NatWest , which is now part of the Royal Bank of Scotland Group.
London & Continental Railway	Parent company of Eurostar (UK) Ltd.
London Midland	London and Birmingham Railway Ltd. A TOC owned by Govia . It currently operates services on the West Midlands franchise.
London Overground	Brand name for railway services overseen by TfL as part of the London Rail Concession . Operated by London Overground Railway Ltd.
London Rail Concession	Concession arrangement under which TfL is responsible for procuring rail services for the North London Railway and the East London Railway through an operating concession .

LOROL	London Overground Rail Operations Ltd, a company jointly owned by DB Regio (formerly Laing Rail) and MTR Corporation. It began operating London Overground services from November 2007. Formerly known as MTR Laing.
Maintenance	The means and attention whereby rolling stock is kept in a condition of full functionality and safe operation for passenger service.
Maintenance reserve	A fund into which TOCs leasing rolling stock from a ROSCO on a dry lease pay in order to cover the costs of heavy maintenance to the rolling stock which may not occur during the term of the lease to the TOC but will be required partly or wholly as a result of its use. Correspondingly, the TOC can also draw monies from the maintenance reserve to pay for heavy maintenance , the requirement for which has been partly or wholly caused by another lessee's use.
Margin	The difference between the overall rate of return on the lessor's investment (in effect the maximum rate of interest on a loan that would be repaid by the lease cash flows) and the actual funding rate.
Mark I, II, III, IV	Terms describing the successive generations in design of coaches introduced by British Rail.
Market value	The price at which an asset would trade in a competitive setting. Can be used interchangeably with fair value .
MEA	Modern equivalent asset value. The value of an existing asset based on the cost of a modern equivalent asset that has the same service potential as the existing asset and is then adjusted to take account of obsolescence.
Merseyrail	The passenger railway services concession awarded by the Merseyside PTE . This part of the rail network is self-contained and separate from the rest of the British passenger rail network.
Midlands Three	The West Midlands , East Midlands and New Cross Country franchises created in 2007.
MOLA	Master Operating Lease Agreement. The standard form leases put in place during railway privatization under which rolling stock was first leased to TOCs .
MOLA rolling stock	Rolling stock owned by British Rail which was sold to the ROSCOs when British Rail was privatized.
Monopoly	A market structure where there is only one seller of a particular good or service.
Multiple unit	A self-contained set of passenger vehicles (also referred to as cars) which is self-propelled with either diesel engines (generally one per car), or equipment for drawing AC or DC electrical power from the infrastructure, and with a driving cab at each end. Able to couple to others of the same class to form longer trains and in some cases to others of different classes .

NAO	National Audit Office. The body which reports to Parliament on public expenditure.
National Assembly for Wales	The legislative branch of the devolved Welsh Government. Until May 2007 it also held executive power and acted as a co-signatory for the Wales and Borders franchise. Following the passage of the Government of Wales Act 2006 and the assembly elections of the May 2007, the Welsh Assembly Government took over the role of co-signatory for the Wales and Borders franchise.
National Express	National Express Group plc. A transport company which currently operates three TOCs : c2c , National Express East Coast , and National Express East Anglia (formerly One).
National Express East Anglia	London Eastern Railway Ltd. A TOC owned by National Express which currently operates services on the Greater Anglia franchise. Until February 2008 it operated under the brand name One.
National Express East Coast	NXEC Trains Ltd. A TOC owned by National Express which currently operates services on the Inter-City East Coast franchise.
NatWest	National Westminster Bank plc. Part of the Royal Bank of Scotland Group.
NBV	Net book value. The original acquisition cost of an asset less accumulated depreciation.
Network Rail	Network Rail Limited. The company responsible for managing the railway network infrastructure in Great Britain. It is a 'not-for-dividend' company limited by guarantee.
New Cross Country	A current rail franchise. Services are operated by Arriva under the brand name Cross Country.
New rolling stock	Rolling stock which is currently being leased for the first time or rolling stock which has not yet been leased.
Non-capital rental	The rental paid by a TOC to a ROSCO to pay for the provision of maintenance services for rolling stock assets.
Non-discrimination requirements	The requirements contained in the Codes of Practice for the ROSCOs to treat all TOCs in a non-discriminatory manner. Reasons by which TOCs might be treated differently are specified in the Code; in practice, this has led to ROSCOs generally offering TOCs the same terms for identical rolling stock requirements.
Northern	A current rail franchise. Services are operated by Northern Rail .
Northern Rail	Northern Rail Ltd. A current TOC , operated by SercoNed , which provides services on the Northern franchise.
North London Railway	A set of railway lines consisting of the North London Line, the West London Line, the Gospel Oak–Barking Line and Watford DC Line. Services on these lines are operated by London Overground .

NPV	Net present value. The initial investment and total future cash inflows and outflows related to an asset or liability, discounted at a rate which takes account of the costs of financing.
NRV	Net realizable value. The estimated selling price of an asset in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.
OAO	Open access operator. A provider who is permitted by the ORR to operate a passenger rail service on specific routes on an unsubsidized and fully commercial basis, as opposed to a provider who operates franchised passenger rail services. Current operators are Heathrow Connect, Heathrow Express, Hull Trains, WSMR and Grand Central .
Off-lease	Term used to describe rolling stock which is not currently leased.
OFT	Office of Fair Trading.
OPRAF	Office of Passenger Rail Franchising. The rail franchising authority , headed by the Franchising Director, from privatization until 2001, OPRAF was succeeded in 2001 by the SRA following a period from 1999 to 2001 during which OPRAF operated as the Shadow SRA .
ORR	Office of Rail Regulation. The statutory body which is the economic and safety regulatory authority for the UK railway network, and has a role in promoting and enforcing competition in the railways.
PFI	Private Finance Initiative. An arrangement to facilitate the funding of government projects by private investment.
PIN	Prior Information Notice. Information supplied by the DfT which sets out the anticipated programme for procuring a specific franchise.
Porterbrook	Porterbrook Leasing Company Limited, one of the three ROSCOs . It was owned by Abbey and was sold in December 2008 to a consortium of investors: Antin IP, Deutsche Bank and Lloyds TSB .
Post-MOLA	Rolling stock manufactured and introduced after privatization.
Power car	A type of locomotive which provides propulsion and electrical power to a train for passenger facilities.
PPI	Producer Price Index. An index of prices that measures average change in the selling prices received by domestic producers of goods and services over time.
PTE	Passenger Transport Executive. Regional organizations responsible for the provision, planning, procurement and promotion of public transport in six of England's largest conurbations: Greater Manchester (GMPTE), Merseyside (Merseytravel), South Yorkshire (SYPTTE), West Midlands (Centro), Tyne & Wear (Nexus) and West Yorkshire (Metro). PTEs are responsible to Passenger Transport Authorities.

PV	Present value. The value of future payments discounted to reflect the time value of money.
Quasar Associates	Quasar Associates Ltd. A consultancy firm which advises TOCs on preparing bids to win rail franchises.
QW Rail Leasing	QW Rail Leasing Ltd. A joint venture between SMBC and National Australia Bank.
RAB	Regulatory asset base. In price-regulated industries, this is the measure of the regulatory value of a company, based on its underlying assets. It is a key element in setting a company's price caps; the cost of capital is applied to it to generate a significant part of the company's allowable revenue.
Railtrack	The railway network infrastructure company which preceded Network Rail .
RBS	Royal Bank of Scotland Group plc.
Refurbishment	Major improvements or alterations to vehicles such as renovating or replacing interiors, changing interior layouts or adding new facilities and equipment.
Relevant customer benefits	A benefit can be considered as a relevant customer benefit of a feature or features of a market, if it is in the form of lower prices, higher quality or greater choice of goods or services in any market in the UK (whether or not the market to which the feature(s) concerned relate) or greater innovation in relation to such goods and services. To qualify as a relevant customer benefit within the meaning of section 134(8) , the CC must believe that the benefit has accrued as a result (whether wholly or partly) of the feature(s) concerned, or may be expected to accrue within a reasonable period and that the benefit was, or is, unlikely to accrue without the relevant feature or features concerned.
Renaissance Trains	Renaissance Trains Limited. Joint operator of two open access services: Hull Trains (with First Group) and WSMR (with DB Regio).
Residual value	The value of an asset at the end of a lease period.
RFR	Risk-free rate. The theoretical rate of return of an investment with zero risk. It represents the interest an investor would expect from an absolutely risk-free investment over a specified period of time. The risk-free rate is taken to be the rate on government bonds over the period.
ROCE	Return on capital employed.
Rolling stock	Generic term for any vehicle equipped to operate on the railway network.
Rolling stock lessor	Any company which leases rolling stock to TOCs or other train operators. In the case of franchised passenger rolling stock , this includes the three ROSCOs and Voyager Leasing .

Rolling Stock Plan	A plan, published by the DfT on 30 January 2008, which sets out in detail how the DfT proposes to meet those parts of the High Level Output Specification relating to the provision of rolling stock . The plan details the expected new procurement of rolling stock and reallocations of displaced rolling stock between franchises. An update to the Plan was published in July 2008.
ROSCO	One of three companies established at the privatization of British Rail to own and lease to TOCs the rolling stock inherited from British Rail, and to finance the purchase of new rolling stock for leasing to TOCs . The three ROSCOs are Angel , HSBC and Porterbrook .
Route Acceptance	Process carried out by Network Rail which confirms the compatibility of particular rolling stock with parts of the railway infrastructure by the completion of specific assessments.
RPI	Retail Prices Index. A price index based on a broad basket of goods and services whose price is calculated monthly and which provides a broad measure of inflation.
RVAR	Rail Vehicle Accessibility Regulations 1998 (SI 1998/2456) to which a small number of amendments were made by The Rail Vehicle Accessibility (Amendment) Regulations 2000 (SI 2000/3215). These requirements set standards for disability access and apply to those vehicles first used to carry fare-paying passengers after 31 December 1998.
Residual value risk	At any point in time, the potential for volatility in the residual value of an asset.
ScotRail	A current rail franchise operated by First Group .
Scottish Ministers	The appropriate franchising authority that selects the TOC to run the Scottish franchise.
Secretary of State	The Secretary of State for Transport.
Section 30 duty	Refers to section 30 of the Railways Act 1993 (as amended). This section places a duty on the franchising authority to provide passenger railway services in the UK in the event that a franchise agreement is terminated or otherwise comes to an end but no further franchise agreement has been entered into.
Section 54 undertaking	Refers to an undertaking given to encourage investment in railway assets (such as rolling stock) in accordance with section 54 of the Railways Act 1993 by the appropriate franchising authority . It ensures that vehicles are re-leased from the end of the current lease period through to the expiry of the undertaking, on substantially the same terms as the initial lease (subject to the performance of the rolling stock remaining satisfactory).
Self-supply	The practice of TOCs purchasing their own rolling stock instead of leasing it from a rolling stock lessor , or leasing rolling stock from a company within their own corporate groups.

Serco	Serco Group plc.
SercoNed	SercoNed Railways. Joint venture formed by Serco and Nederlandse Spoorwegen (the Netherlands national railways operator). It owns the Northern Rail TOC and Merseyrail concession operator.
Service level commitment	Level of service specified by the appropriate franchising authority in its franchise agreements with TOCs . This is defined in terms of overall capacity and typically includes service intervals, times of early and late services, maximum journey times and stopping patterns of franchised services.
Short-term lease	A lease of rolling stock that lasts for less than the full franchise term.
Siemens	Siemens AG. A rolling stock manufacturer and maintenance provider.
Slam-door	Passenger-operated unpowered exterior doors on rolling stock , as fitted to Mark I, II and Mark III coaches .
SMBC	Sumitomo Mitsui Banking Corporation.
SNCF	Société Nationale des Chemins de fer Français. The French national railway operator.
Soggy lease	A lease under which the rolling stock lessor takes contractual responsibility for heavy maintenance work and the TOC takes responsibility for light maintenance work.
South Central	A current rail franchise. Services are operated by Southern .
Southeastern	London and Southeastern Railway Ltd. A TOC owned by Govia . It currently operates services on the Integrated Kent franchise . Also previous name of Integrated Kent franchise .
Southern	New Southern Railway Limited. A TOC owned by Govia . It currently operates services on the South Central franchise.
South Western	A current rail franchise. Services are operated by South West Trains.
South West Trains	Stagecoach South Western Trains Limited. A TOC owned by Stagecoach . It currently operates services on the South Western franchise.
Sovereign Trains	Sovereign Trains Limited. A company which leases rolling stock to the open access operator Grand Central .
SPV	Special Purpose Vehicle. A company that is created solely for a particular financial transaction or series of transactions.
SRA	Strategic Rail Authority. A former non-departmental public body which operated from 2001 to 2006. It succeeded OPRAF and had responsibility for the allocation of passenger rail franchises to TOCs . Following the passing of the Railways Act 2005 it was

wound up and its functions transferred to the **Secretary of State, Scottish Ministers** and the **National Assembly for Wales**.

SSNIP test	Small but significant non-transitory increase in price test. A test used to assist in the process of market definition, which determines the substitutability of products by reference to the extent to which a small but significant non-transitory rise in the price of one product from a competitive level causes customers or suppliers to switch to another product. In practice it provides a conceptual framework for assessing available evidence.
Shadow SRA	Shadow Strategic Rail Authority. A former non-departmental public body established in 1999. It incorporated the former Franchising Director and OPRAF . It was succeeded in 2001 by the SRA .
Stagecoach	Stagecoach Group plc. A transport company which owns the following TOCs : South West Trains and East Midlands Trains . It also has a 49 per cent share in Virgin Trains .
Stranding risk	A residual value risk scenario where a fleet with significant residual value and lifespan is at risk of being left standing off-lease , possibly incurring warm storage charges.
Structure gauge	The clear space around a railway corridor through which rolling stock can pass without striking surrounding infrastructure.
Sublease	A lease by one TOC , of rolling stock already leased to it by a rolling stock lessor , to another TOC .
Switching	A situation where a TOC leases alternative rolling stock on a franchise, primarily at franchise re-let . A switch must involve the movement of rolling stock to a different franchise. It does not include the situation where rolling stock is moved from one franchise to another because of franchise remapping or where there is a change in franchisee without movement of rolling stock .
TfL	Transport for London. The statutory body responsible for most aspects of the transport system in Greater London, including the London Overground rail services.
Thameside	A current rail franchise. Services are operated by c2c .
Thameslink/ Great Northern	A current rail franchise created in 2006 comprising the former Thameslink franchise and the Great Northern services from the former West Anglia Great Northern franchise. Services are operated by First Capital Connect .
Thameslink Programme	Previously referred to as Thameslink 2000, is a major investment programme to upgrade and expand Thameslink services which run north–south through central London. The project includes new railway infrastructure, additional rolling stock , lengthening platforms and station remodelling. A new franchise will be created offering additional services and destinations and the DfT has announced plans to procure new vehicles to deliver these services.

TOC	Train operating company. Provider of (including, where the context requires, a company bidding to provide) train services usually under a franchise agreement granted by the DfT .
Train	A discrete assembly of rolling stock vehicles that provide a transport service.
Trans Pennine	A current rail franchise. Services are operated by First Trans-Pennine Express.
Transport Scotland	The national transport agency for Scotland (an agency of the Scottish Executive, accountable to the Scottish Parliament and the public through Scottish Ministers), which has responsibility for most aspects of the management of the railways in Scotland. It has a similar role to that played by the DfT in England, with safety, the licensing of railway operators, and the regulation of Network Rail remaining the responsibility of the ORR .
Transport Wales	A department of the Welsh Assembly Government . It is responsible for the financial and performance management of passenger services covered by the Wales and Borders franchise and any enhancements to those services.
TUPE	The Transfer of Undertakings (Protection of Employment) Regulations.
Tying	A method of price discrimination where a seller of a good or service makes the sale of one product conditional on the purchase of another product.
Unit	Shorthand for multiple unit .
Used rolling stock	Rolling stock that has been previously leased.
Useful economic life	The period during which an asset is expected to be in operation and generating income over which it is depreciated.
Utility	A measure of the benefit derived from a particular type of rolling stock that captures its costs of operation, speed, reliability, the quality of its passenger environment and facilities, and its potential to change passenger revenues (through changing demand).
Vehicle	Any individual item of rolling stock , such as a coach or locomotive , or an individual car within a multiple unit .
Virgin Group	Virgin Group Investments Ltd.
Virgin Trains	Virgin Rail Group Holdings Ltd. A company, jointly owned by Virgin Group and Stagecoach , which is the parent of West Coast Trains Ltd (see Virgin West Coast) which currently operates rail services on the Inter-City West Coast rail franchise. From 1997 until November 2007, it also operated services on the Cross Country franchise (Virgin Cross Country).
Virgin West Coast	West Coast Trains Ltd. A TOC owned by Virgin Trains which currently operates services on the Inter-City West Coast rail

	franchise. Its services are branded as Virgin Trains .
Voyager	Brand name for Class 220 and 221 (also known as Super Voyager) DEMU s manufactured by Bombardier .
Voyager Leasing	Voyager Leasing Limited. Manages and partly owns (in a 50/50 split with HBOS) the Voyager trains leased to Virgin Trains and Arriva Cross-Country . Voyager Leasing is a wholly-owned subsidiary of RBS .
WACC	Weighted average cost of capital. The cost of capital derived from an average of its two components: the cost of debt and the cost of equity, weighted by gearing . It may be expressed in either pre-tax or post-tax terms.
Wales & Borders	A current rail franchise. Services are operated by Arriva Trains Wales .
Warm storage	The practice of storing unused rolling stock in a warehouse or sidings and in which routine maintenance and preservation activity is undertaken (as opposed to cold storage).
Well-functioning market	A hypothetical comparator market where there is effective competition.
Welsh Assembly Government	The executive branch of the devolved Welsh Government. It took over executive powers from the National Assembly for Wales following the assembly elections in May 2007. It is a co-signatory for the Wales and Borders franchise.
West Coast	Shorthand for the Inter-City West Coast rail franchise.
West Midlands	A current rail franchise formed in 2007 by the amalgamation of parts of the former Silverlink franchise (Silverlink County services) with parts of the former Central franchise. Services are operated by London Midland .
Wet lease	A lease where the rolling stock lessor takes contractual responsibility for both heavy and light maintenance work.
WSMR	The Wrexham, Shropshire & Marylebone Railway Company Limited. An open access operator which is jointly operated by DB Regio (formerly Laing Rail) and Renaissance Trains which began operation in April 2008.

Glossary—Franchise chart

TABLE 1 Current and previous rail franchises

<i>Current franchise</i>	<i>Current TOC</i>	<i>TOC owning group</i>	<i>Start date</i>	<i>End date</i>	<i>Original franchises comprising current franchise</i>	<i>Previous TOCs (numbers indicate sequence of previous TOCs, ie (1) = first TOC to operate franchise, (2) = second TOC to operate franchise)</i>
Chiltern	Chiltern Railways	DB Regio (formerly Laing Rail)	02/2002	12/2021	Chiltern	Laing Rail* (Chiltern)
East Midlands	East Midlands Trains	Stagecoach	11/2007	03/2015	Midland Mainline Central Trains (part)	National Express (Midland Mainline) National Express (Central Trains)
Greater Anglia	National Express East Anglia (previously 'One')	National Express	04/2004	03/2011 (can be extended to 2014)	Anglia Great Eastern West Anglia Great Northern (part)	(1) Anglia (GB Railways) (2) First (Anglia) First (Great Eastern) (1) Prism Rail† (2) National Express (WAGN)
Greater Western	First Great Western	First	04/2006	04/2016	Great Western Thames Trains/Great Western Link Wales and West (part) (known as Wessex)	(1) Great Western Holdings (2) First (Great Western) (1) Victory Railways (Go-Ahead) (2) Go-Ahead (3) First Great Western Link (Thames/Great Western Link) (1) Prism Rail (2) National Express (Wales and West/Wessex)
Integrated Kent Franchise	Southeastern	Govia	04/2006	03/2014	Southeastern	(1) Connex (2) South Eastern Trains (DfT/SRA) (Southeastern)
Inter-City East Coast	National Express East Coast	National Express	12/2007	03/2015	Inter-City East Coast	GNER (Inter-City East Coast)
Inter-City West Coast	Virgin Trains	Virgin and Stagecoach	03/1997	03/2012	Inter-City West Coast	Virgin Trains and Stagecoach (via West Coast Trains Ltd) (Inter-City West Coast) Stagecoach took 49 per cent interest in 10/1998

<i>Current franchise</i>	<i>Current TOC</i>	<i>TOC owning group</i>	<i>Start date</i>	<i>End date</i>	<i>Original franchises comprising current franchise</i>	<i>Previous TOCs (numbers indicate sequence of previous TOCs, ie (1) = first TOC to operate franchise, (2) = second TOC to operate franchise)</i>
New Cross Country	Cross Country	Arriva	11/2007	03/2016	Cross Country Central Trains (part)	Virgin Trains and Stagecoach (via Cross Country Trains Ltd) (Cross Country) National Express (Central Trains)
Northern	Northern Rail	SercoNed Railways	12/2004	09/2013	North West Regional Railways Regional Railways North East	(1) Great Western Holdings (2) First (North West Regional Railways) (1) Northern Spirit (MTL Services) (2) Arriva (Regional Railways North East)
Scotrail	First Scotrail	First	10/2004	10/2014	Scotrail	National Express (Scotrail)
Southern	Southern	Govia	10/2000	09/2009	South Central Gatwick Express (from 06/2008)	Connex (South Central) National Express (Gatwick Express)
South Western	South West Trains	Stagecoach	02/2007	02/2017	South West Trains Island Line	Stagecoach (South West Trains) Stagecoach (Island Line)
Thameside (London, Tilbury and Southend)	c2c	National Express	05/1996	05/2011	Thameside (LTS)	Prism Rail (Thameside (LTS))
Thameslink/Great Northern	First Capital Connect	First	04/2006	04/2015	Thameslink West Anglia Great Northern (part)	Govia (Thameslink) (1) Prism Rail (2) National Express (WAGN)
Trans-Pennine Express	First Trans-Pennine Express	First Group & Keolis	02/2004	01/2012 (can be extended to 2017)	Regional Railways Northeast (part) North West Regional Railways (part)	(1) Northern Spirit (MTL Services) (2) Arriva (Regional Railways Northeast) (1) Great Western Holdings (2) First (North West Regional Railways)

<i>Current franchise</i>	<i>Current TOC</i>	<i>TOC owning group</i>	<i>Start date</i>	<i>End date</i>	<i>Original franchises comprising current franchise</i>	<i>Previous TOCs (numbers indicate sequence of previous TOCs, ie (1) = first TOC to operate franchise, (2) = second TOC to operate franchise)</i>
Wales and Borders	Arriva Trains Wales	Arriva	12/2003	10/2018	Cardiff Railway Valley Lines	National Express (Wales and Borders)
					Wales and West (part)	(1) Prism Rail, (2) National Express (Cardiff)
					Central Trains (part)	(1) Prism Rail (2) National Express (Wales and West)
					North Western (part)	National Express (Central)
					(1) Great Western Holdings, (2) First (North Western)	
West Midlands	London Midland	Govia	11/2007	09/2015	Silverlink (part)	National Express (Silverlink)
					Central Trains (part)	National Express (Central Trains)

Source: CC.

*Laing Rail was purchased by Deutsche Bahn in 2008 and became DB Regio.

†Prism Rail was purchased by National Express in 2000.

TABLE 2 **Current rail concessions**

<i>Current concessions*</i>	<i>Current operator</i>	<i>Operator owning group</i>	<i>Start date</i>	<i>End date</i>	<i>Original concessions/franchises comprising current concessions</i>	<i>Previous operators</i>
London Overground Concession	London Overground	LOROL (MTR and DB Regio)	11/2007	11/2014	Silverlink (part)	Silverlink (Silverlink Metro)
Merseyrail Concession	Merseyrail	SercoNed Railways	07/2003	7/2028	Merseyrail Concession	(1) MTL Services, (2) Arriva (Merseyrail Concession)

Source: CC.

*Although concessions and franchises are different models of providing passenger rail services, there has been some overlap between operators of franchises and concessions, so they are included in this chart for completeness. The former Silverlink franchise's Metro services have become part of the London Overground concession.

Glossary—Classes of rolling stock

<i>Class</i>	<i>Family name (other designations in brackets)</i>	<i>Type</i>	<i>Manufacturer</i>	<i>Years built</i>
43	N/A	Diesel Locomotive	British Rail	1976–1982
47	N/A	Diesel Locomotive	British Rail (Brush)	1963–1967
57	N/A	Diesel Locomotive	Brush	2002–2003
67	N/A	Diesel Locomotive	Alstom	1999–2000
73	N/A	Electro-Diesel Locomotive	British Rail	1965–1967
86	N/A	Electric Locomotive	British Rail	1965–1966
87	N/A	Electric Locomotive	British Rail	1973–1975
89	N/A	Electric Locomotive	British Rail	1989
90	N/A	Electric Locomotive	British Rail	1987–1990
91	N/A	Electric Locomotive	British Rail	1988–1991
121	N/A	Driving Motor Vehicle	British Rail	1960
IC125 (HST)	Name for HST train made up of Class 43 diesel locomotive power cars and 7 to 8 Mark III coaches			
IC225	Name for train made up of Class 91 electric locomotive, a driving van trailer and 9 Mark IV coaches			
141	Pacer	DMU	British Rail	1984
142	Pacer	DMU	British Rail	1985–1987
143	Pacer	DMU	British Rail	1985–1986
144	Pacer	DMU	British Rail	1986–1987
150	Sprinter	DMU	British Rail	1984–1987
153	Sprinter	DMU	British Rail	1987–1988
155	Sprinter (Super Sprinter)	DMU	British Rail	1987–1988
156	Sprinter (Super Sprinter)	DMU	British Rail	1987–1989
158	Sprinter (Express Sprinter)	DMU	British Rail	1989–1992
159	Sprinter (South Western Turbo)	DMU	British Rail	1992–1993
165	Networker (Network Turbo)	DMU	British Rail	1991–1992
166	Networker (Express Turbo)	DMU	British Rail	1992–1993
168	Turbostar (Clubman)	DMU	ADtranz	1998–2006
170	Turbostar	DMU	ADtranz/Bombardier	1998–2005
171	Turbostar	DMU	ADtranz/Bombardier	2004–2005
172	Turbostar	DMU	Bombardier	New class of train currently under construction
175	Coradia (part of Coradia 1000 sub-family)	DMU	Alstom	1999–2001
180	Coradia (Adelante, part of Coradia 1000 sub-family)	DMU	Alstom	2000–2001
185	Desiro	DMU	Siemens	2004–2006
220	Voyager	DEMU	Bombardier	2000–2001
221	Voyager (Super Voyager)	DEMU	Bombardier	2001–2002
222	Voyager (Meridian—East Midlands) (Pioneer—Hull Trains)	DEMU	Bombardier	2000–2005
312	N/A	EMU	British Rail	1975–1978
313	N/A	EMU	British Rail	1976–1977

<i>Class</i>	<i>Family name (other designations in brackets)</i>	<i>Type</i>	<i>Manufacturer</i>	<i>Years built</i>
314	N/A	EMU	British Rail	1978-1979
315	N/A	EMU	British Rail	1980-1981
317	N/A	EMU	British Rail	1981–1987
318	N/A	EMU	British Rail	1984-1986
319	N/A	EMU	British Rail	1987–1988
321	N/A	EMU	British Rail	1988–1991
323	N/A	EMU	Hunslet-Barclay	1992–1993
325	Networker	EMU	British Rail/ABB	1988–1995
332	N/A	EMU	Siemens/CAF	1998
333	N/A	EMU	Siemens	2000
334	Coradia (Juniper, part of Coradia Juniper sub-family)	EMU	Alstom	1999–2001
350	Desiro	EMU	Siemens	2004–2005
357	Electrostar	EMU	ADtranz/Bombardier	1999–2002
360	Desiro	EMU	Siemens	2002–2003
365	Networker (Networker Express)	EMU	British Rail—ABB	1994–1995
373	TGV (Eurostar TGMT)	EMU	Alstom	1992–1996
375	Electrostar	EMU	ADtranz/Bombardier	1999–2004
376	Electrostar (Suburban Electrostar)	EMU	Bombardier	2004–2005
377	Electrostar	EMU	Bombardier	2002–2005
378	Electrostar	EMU	Bombardier	New class of train currently under construction
380	Desiro	EMU	Siemens	
390	Pendolino	EMU	Alstom	2001–2005
395	A-Train	EMU	Hitachi	New class of train currently under construction
442	N/A	EMU	British Rail	1998–1999
444	Desiro	EMU	Siemens	2003–2004
450	Desiro	EMU	Siemens	2002–2006
455	N/A	EMU	British Rail	1982–1985
456	N/A	EMU	British Rail	1990–1991
458	Coradia (Juniper, part of Coradia Juniper sub-family)	EMU	Alstom	2000–2001
460	Coradia (Juniper, part of Coradia Juniper sub-family)	EMU	Alstom	2000–2001
465	Networker	EMU	British Rail/ABB/Metro-Cammell	1991–1994
466	Networker	EMU	British Rail	1993–1994
508	N/A	EMU	British Rail	1978–1980
Mark I	Includes non-passenger carrying coaching stock, utility vans, caterers, and passenger coaches	Coach	British Rail	1957–1962
Mark II	Includes non-passenger-carrying coaching stock, utility vans, caterers, and passenger coaches	Coach	British Rail	1964–1975
Mark III	Includes driving van trailers, passenger coaches, caterers and sleepers	Coach	British Rail	1975–1990

<i>Class</i>	<i>Family name (other designations in brackets)</i>	<i>Type</i>	<i>Manufacturer</i>	<i>Years built</i>
Mark IV	N/A	Coach	British Rail	1989–1992
HSTC	HST Caterer	Coach	British Rail	1976–1982
HSTPC	HST Power Car. See IC 125			
HSTT	HST Trailer	Coach	British Rail	1976–1982

Source: CC.
