

Michael Albon
Executive, Access & Licensing
Telephone: 0207 282 3660
E-mail: michael.albon@orr.gsi.gov.uk



12 October 2017

Janet Thurlington
Customer Manager
Network Rail Infrastructure Ltd
4th Floor, George Stephenson House
Toft Green, York
YO1 6JT

Georgia Ehrmann
Track Access Manager
Arriva Rail North Ltd
4th Floor, Northern House
9 Rougier Street, York
YO1 6JT

Dear Janet and Georgia

Approval of the 7th supplemental agreement to the track access contract between Network Rail Infrastructure Limited and Arriva Rail North Limited (ARN) (jointly, “the parties”)

1. We have today approved the above supplemental agreement submitted to us formally on 12 October 2017 under section 22 of the Railways Act 1993 (the Act). This follows an earlier informal submission of a draft agreement for our consideration. The purpose of this letter is to set out the reasons for our decision.

Purpose of the agreement

2. The purpose of this agreement is to provide ARN with the additional quantum rights necessary to operate its December 2017 timetable. ARN's December 2017 timetable has been developed to meet the Train Service Requirement specified within its Franchise Agreement and provide foundations for a much larger change in May 2018.

3. Although ARN's December 2017 timetable change is largely a roll-over of its May 2017 timetable, there are improvements to frequency and journey times realising the benefits of infrastructure investments including the North West Electrification Programmes and Northern Hub. Furthermore, the extensions of Calder Valley services over the Ordsall Chord to Manchester Oxford Road represents a major stepping stone in unlocking wider performance, capacity and connectivity benefits for services in the Manchester area. This is key to substantially increasing rail's market share in the North in line with the Rail North Long Term Rail Study (2015) and in doing so unlocking major economic and social benefits. ARN have explained that approval of the access rights sought in this agreement



are vital so that it secures a return on its investment through long term revenue benefits generated over the remainder of its franchise.

4. With the exception of the rights for the additional services which interface with the East Coast Main Line expiring at the 2019 Subsidiary Change Date, the changes made in this application will expire at the end of ARN's Franchise (Principle Change Date 2025).

5. ARN is also amending the Fixed Track Access Charge and the Schedule 4 Access Charge Supplement in the parties' track access agreement to reflect the remapping of services from First Transpennine Express to ARN following the changes to both franchises on 1 April 2016.

Industry Consultation

6. Network Rail undertook the standard 28-day industry consultation ending on 28 July 2017. Merseytravel and Nexus provided positive responses and did not raise any specific issues. Consultees that raised specific points were: GB Railfreight, Transport Focus, Transport for Greater Manchester, TransPennine Express, Virgin West Coast and West Yorkshire Combined Authority. Network Rail/ARN responded to each party and there were no unresolved issues.

ORR's review

7. Our review identified no issues and we are satisfied that approval is in accordance with our section 4 duties under the Railways Act 1993. We identified several drafting issues with the agreement and highlighted these to the parties with our suggestions to improve the drafting quality. The parties have amended the agreement accordingly for the formal submission.

8. In considering the agreement and in reaching our decision, we have had to weigh and strike the appropriate balance in discharging our statutory duties under section 4 of the Act. We have concluded that approval of this supplemental agreement is consistent with our section 4 duties, in particular those relating to protecting the interests of users of railway services (section 4(1)(a)), promoting the use of the railway network for the carriage of passengers (section 4(1)(b)) and enabling persons providing railway services to plan their businesses with a reasonable degree of assurance (section 4(1)(g)).

Administration and public register

9. Under clause 18.2.4 of the track access contract, Network Rail is required to produce a conformed copy, within 28 days of any amendment being made, and send copies to ORR and the Train Operator. Please send the conformed copy to me at ORR.

9. Electronic copies of this letter, the approval notice and the agreement will be sent to Keith Merritt at Department for Transport and to Peter Craig at Network Rail. Copies of the approval notice and the agreement will be placed on ORR's public register (website) and copies of this letter and the agreement will be placed on the ORR website.



Yours sincerely

A handwritten signature in black ink, appearing to be "MA", with a long, sweeping horizontal line extending to the right.

Michael Albon