First TransPennine Express

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Chris Dellard
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(by email only)

3rd December 2015

Dear Chris

Arriva Trains Wales (ATW) – 73rd Supplemental Agreement

Further to your correspondence dated 5th November 2015 please find below First TransPennine Express's (FTPE) response to ATWs 73rd Supplemental Agreement proposed under Section 22A of the Railways Act 1993. This response is made taking cognisance of our response to ATWs proposed 65th Supplemental Agreement made in February 2015, and the discussions which took place during the Access Disputes Committee of 6th October 2015. For the reasons outlined in this correspondence FTPE have taken the decision to object to ATWs 73rd Supplemental Agreement and ask for the following points to be taken into account by the Office of Rail and Road (ORR) when considering the application.

Concerns Regarding Abstraction

Having reviewed the detail regarding the proposed extension of North Wales/Chester – Manchester Piccadilly services to Manchester Airport we wish firstly to draw attention to what we believe is the fundamentally abstractive nature of this proposal. Analysis has been carried out by FTPE which demonstrates we stand to lose around £254,000 annually from the introduction of more ATW services to the airport, with total industry revenue being degraded by £25,000. These calculations incorporate both the inclusion of the proposed ATW service extensions to/from Manchester Airport, and changes made to FTPE services which are required in order to fit ATW train paths into Manchester Airport (including services planned to be remapped to Northern from April next year). Appendix A to this letter contains the MOIRA revenue calculations to support this. Whilst certain flows such as Chester and Bangor to Manchester Airport see passenger revenue growth, this is offset by reductions in high value flows such as Sheffield and Preston to Manchester Airport. The model suggests that there is no

overall net benefit to the rail industry by adding additional services between Piccadilly and the Airport.

FTPE has not had sight of the detailed analysis to support the assertion in Section 4.1 that additional revenue will be generated for the industry but feel visibility of this is essential in order to understand the assertion that these proposed extensions are generative. Further to the above FTPE seeks to understand the reasons why, if the proposal is believed to be generative, the Manchester Airport extension is not being applied to Sunday services.

Figures from the Manchester Airport Group demonstrate that Sunday is one of the busiest days of the week in terms of total passengers; during the Summer period (1st June 2015 to 25th October 2015) Sunday was the second busiest day of the week with an average of 82,907 passengers passing through, slightly behind the busiest day of Monday which saw an average of 83,698 passengers. During the Winter period (1st November 2014 to 27th March 2015) Sunday was again the second busiest day with an average of 51,300 passengers passing through. The busiest day of Friday saw 53,378 passengers on average. Given these figures it could be expected that ATW would seek to maximise revenue opportunities on these services through seeking to run through to the airport on Sundays.

In summary and as demonstrated above National Rail revenue would be negatively affected by the introduction of these service extensions; local gains on ATW flows are more than offset by disbenefit to other flows. We consequently believe the paths do not pass a 'not primarily abstractive test' and limited (localised) benefits for some users should not be prioritised over disbenefits for users on other corridors.

Performance Manchester Piccadilly to Manchester Airport

We note the information provided in Section 5.1 regarding performance and the detail regarding current PPM of the Chester to Piccadilly services. Given the context of this application we feel firstly that it would be more useful to understand the right time figures for the arrival of these services rather than services arriving within PPM (plus public differential). The trains which ATW is proposing to extend have a 5 minute public differential on their arrival at Piccadilly, so can be up to 9 minutes late arriving at Piccadilly on their working time while still being an 'on time' statistic for PPM purposes. We question therefore the adequacy of this example in demonstrating current performance resilience of these services.

Secondly we feel it is pertinent to highlight current performance in terms of knock-on delays on sections of route from Manchester Piccadilly to the Airport. In Period 8 of 2015 for example around 50,000 industry minutes of reactionary delays were incurred in 10,000 incidents. The table below shows the 10 worst sections on our network, and as demonstrated the sections from Slade Lane to Heald Green and Heald Green to Slade Lane are the fourth and fifth worse performing sections respectively with 2,620 minutes industry delay in 605 incidents.

10 Worst Sections

Event Location	Reactionary Incident Count	PfPI Minutes
Micklefield - Leeds	525	2,761
Dewsbury - Whitehall Jn	405	1,915
Slade Lane Jn - Manchester Piccadilly	395	1,589
Slade Lane Jn - Heald Green	304	1,416
Heald Green - Slade Lane Jn	301	1,204
Manchester Piccadilly	281	1,893
Colton Jn - York	264	1,247
Leeds - Micklefield	256	1,361
Stalybridge - Ashburys	256	1,087
Astley - Wigan North Western	218	1,044

FTPE also experienced 252 incidents at Manchester Airport causing 1,206 minutes of industry delay, 245 minutes industry delay between Heald Green and Manchester Airport in 77 incidents and 144 minutes industry delay between Manchester Airport and Heald Green in 53 incidents. In total this gives 4,215 minutes of reactionary delay in 987 incidents between Manchester Airport and Slade Lane in both directions.

The introduction of additional trains and utilisation of additional paths on this section of route is therefore likely to pose an inherent performance risk given the nature of the service mix, namely the combination of express and stopping services, and the reactionary delay which is frequently imparted as a consequence of late running. The historic performance figures noted relate to a time prior to the fourth platform opening, showing that arguably any flexibility given by this additional capacity is needed to support performance of the current service rather than enabling new services which are likely to put pressure on other key nodes in the area such as Slade Lane Jn and Ardwick.

FTPEs Fifth Path

The application refers to FTPEs 'fifth path' which is asserted to have had "a severe impact on the operator's PPM with knock-on effects to other lines and operators"; we feel it is important to challenge this statement given the fact that performance of the May 2014 has improved significantly during the 18 months since the timetable was introduced. This is a familiar scenario following the introduction of a new timetable, and as the network becomes ever busier, smooth implementation of a new plan becomes ever harder to achieve.

Significant mitigations were planned and introduced as soon as it became apparent where the weak points of the timetable were. From December 2014 a 'step-back' unit has been provided at Liverpool for the majority of the day, and this has been integrated into the other unit diagrams, at significant traincrew cost, to ensure that maximum return is made from the opportunities for performance robustness that this resource offers. Other traincrew changes were made during the course of 2014 to make the service more flexible during perturbation; full traincrew working on most Manchester Airport to York services now facilitate terminating short as and when

necessary to recover the service. A detailed service recovery plan is held by the Control, with an explanation required of any occasion where the provisions of the plan are not implemented.

As a result of these measures, PPM in 6 of the 10 periods following the December 2014 changes has been as good as or up to 2.25% better than the corresponding period prior to the '5 train' timetable being introduced, with a best of 92.4% PPM.

Performance Conclusions

In relation to leaf fall season performance levels, we feel it is pertinent to highlight industry-wide stress caused by the variable railhead adhesion characteristics during autumn. The system as a whole is less able to recover from delay, and the performance effect of the current Network Rail asset failures is demonstrating this.

Indication of the pressure the proposal would put on the South Manchester network is given by the requirement to put 6 minutes' additional pathing time in the Blackpool – Manchester Airport services which would follow the extended ATW train's path. Directly behind the service from Blackpool, there are trains from Liverpool and from Cleethorpes, and these would be 'pathed out' to follow, with journey times extended by 3 minutes every hour in each case.

Overall, performance levels reflect the resilience of the infrastructure and the ability of the timetable to be recovered. In the context of the busy South Manchester network and given the experience of the '5 train' timetable, FTPE feels that it is not acceptable for the industry to import further performance risk by incorporating additional paths into arguably the busiest section of an already congested network. In summary we question the assertion in Section 3.2 that "unused capacity is currently available" and believe that implementing the service extensions as listed in the application will have considerable detrimental performance impacts along this line of route.

Planning Rules

FTPE wish at this point to highlight a current non-conformity with the Planning Rules which has the potential to be impacted by the proposals contained in this application. Details of this non-conformity are as follows.

In order for the current plan at Piccadilly throat to work, the Cleethorpes - MIA trains are required to arrive into Piccadilly at xx02 to leave at xx06. Northern's local service from the Airport runs via the Down Slow, and is therefore a conflicting move at the station throat, for which a 4 minute depart to arrive margin is required. It is required to arrive at xx10 in order to depart back to the Airport at xx14 after a minimum 4-minute turnround. Following it from Piccadilly is the xx17 to Chester. Long distance trains follow the local into the Airport, so a later path from Piccadilly is not really an option. From the December 2015 timetable, however, generally FTPEs Cleethorpes services arrive at xx03, so cannot leave for the Airport until xx07. The Northern local currently arrives, uncompliantly, at xx10 most hours, and as demonstrated above is required to do so in order for the rest of the plan to work. To allow the Cleethorpes -

MIA to arrive into Piccadilly at xx02, it needs to be earlier over Slade Lane Jn which is possible if the current order of two consecutive moves is reversed. The Middlesbrough - MIA passes at xx56, and the Cleethorpes is behind it at xx58½ (2½ minutes minimum margin). The order could be reversed - except that the addition of the train from North Wales over Slade Lane Junction will prevent the Cleethorpes being earlier.

FTPE is currently in the process of seeking resolution of the above with Network Rail, but if this application were to be granted the solution identified for the current non-conformity would be unable to be implemented.

Service Benefits

We note a key element of ATWs proposal hinges on the benefits the service extensions are asserted to bring to in terms of connectivity between North Wales/Chester and Manchester Airport. Whilst FTPE is not seeking to dispute that the proposed extensions are likely to increase perceptions of service attractiveness to ATW customers we feel it is important to question whether the industry should be seeking to prioritise connectivity between North Wales/Chester and Manchester Airport over and above connectivity from other settlements in the North of England. This is particularly pertinent given the competitiveness of road over rail for the journeys in question, as the following examples highlight:

Route	**Journey Times by Road in 'Usual Traffic'** **(source: www.google.co.uk/maps)**	**Journey Times by Rail** **(source: ATW 73rd Supplemental Agreement)**
Chester to Manchester Airport	38 mins	1hr 23mins
Llandudno Junction to Manchester Airport	1hr 12mins	2hr 21mins

Without looking outside the rail mode itself, it is often significantly faster to travel from Chester to Manchester Airport via Crewe. Typical of the hourly service offering to the Airport is:

Chester depart: 1055
Crewe arrive: 1118
Crewe depart: 1134
Manchester Airport a: 1204

It is accepted that Airport passengers are often resistant to changing trains, but this journey time is a quarter of an hour quicker than the proposed through service, or 20 minutes quicker if the current level of public advertising of North Wales trains at destination is applied by ATW.

We feel it is important in this respect to highlight the industry work which has been carried out to identify and understand the nature of long term markets, for example the cross-industry Long Term Planning Process (LTPP). Such studies enable the industry to understand where potential to increase service provision for maximum customer benefit exists.

The Northern RUS, published in May 2011, identified a gap in provision of through services between the Calder Valley corridor and Manchester Airport (chapter 4, gap 9, on page 83). The

penultimate paragraph of section 6.7.5 of chapter 6 (page 112) refers to the opportunity to run through services on this axis via the Ordsall Chord. Through services from Chester to Manchester Airport are not recommended, though their absence is noted.

Section 4.1 of Form P refers to detailed research into customer benefits which has been carried out by ATW to support this application. FTPE feel it would be beneficial to gain sight of this in order to understand how the benefits are expected to be realised.

Strategic Planning

We believe that any application for an increase of services in and around the North West of England needs to be considered in the context of wider industry plans for the region, more specifically the North of England Programme of works (ie the Northern Hub and North West Electrification) committed to by the government and in the process of being delivered by Network Rail. The fourth platform at Manchester Airport as referenced in Section 4.1 of ATWs access application is one such Northern Hub scheme which has been built with the aim of accommodating longer trains at the Airport. In this respect it forms part of the wider plan for rail in the North of England and FTPE must disagree with ATWs assertions in Section 3.2 regarding the uncertainty and variability of future timetable changes. The TransPennine and Northern Invitation to Tender (ITT) documentation outlined specific expectations as to future service levels which the Department for Transport (DfT) expect to be delivered through the franchises based on specific infrastructure outputs (for example the fourth platform, electrification schemes and the Ordsall Chord).

Following expected completion of the Ordsall Chord by December 2017 current services in and around Manchester will be radically revised, and therefore considering ATWs proposed service extensions in light of current paths will only be relevant up until the point of major timetable change as directed by DfT. FTPE believes this calls into question whether granting firm rights up to and following this point is appropriate given this wider context, and one must also question the benefits likely to arise from implementing service extensions for three timetable change dates should contingent rights to December 2017 be approved.

The fundamental point remains, as articulated in the previous section, that decisions have been made by the industry as to the shape of service provision in North West England which have shaped investment decisions and the franchise letting process, and we feel it is essential the nature of this is fully articulated when the decision regarding the access application is made.

In summary FTPE believe for the reasons outlined in this correspondence that granting the rights as contained in ATWs application would result in abstractive impacts on revenue and detrimental impacts on performance, and therefore object to the proposal outlined. Furthermore we feel it is essential the decision which is reached on this application places ATWs aspiration for direct services from North Wales/Chester to Manchester Airport in the wider context of priorities for connectivity within the North of England to ensure the benefits of infrastructure investment are realised in the optimum way by the industry.

Should you require further clarification on the above please don't hesitate to contact me.

Yours sincerely

Laura Price
Interim Commercial Contracts Manager

Appendix A – MOIRA Revenue Calculations

Summary

FTPE stand to lose 0.11% of total passenger revenue due to proposed changes to ATW service to Manchester Airport.

Based on forecast passenger revenue receipts for 2015/16 of £230.5m, FTPE would lose circa £254k in revenue from this change.

£230,500,000	X	-0.11%	=	**-£253,550**

* The -0.11% change be seen in the MOIRA output file

This loss is a combination of worse train service paths for FTPE's services from both Blackpool and Cleethorpes, as well as reductions in ORCATS due to the extra services between Manchester and Manchester Airport.

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Method

Arriva Trains Wales new services to/from Manchester Airport inserted into MOIRA.

Details of the new ATW services that have been added into the MOIRA run.

Headcode	Days Run	Operator	Dep	Origin	Destination	Arr	Notes
1H83	SX	ATW	07:45	Llandudno	Manchester Airpor	10:15	Extended from Manchester Piccadilly
1H84	SX	ATW	08:54	Llandudno Junction	Manchester Airpor	11:15	Extended from Manchester Piccadilly
1H85	SX	ATW	09:45	Llandudno	Manchester Airpor	12:15	Extended from Manchester Piccadilly
1H86	SX	ATW	10:44	Llandudno	Manchester Airpor	13:15	Extended from Manchester Piccadilly
1H87	SX	ATW	11:44	Llandudno	Manchester Airpor	14:15	Extended from Manchester Piccadilly
1H88	SX	ATW	12:53	Llandudno Junction	Manchester Airpor	15:15	Extended from Manchester Piccadilly
1D35	SX	ATW	10:37	Manchester Airport	Llandudno Junctior	12:48	Started back at Manchester Airport
1D36	SX	ATW	11:37	Manchester Airport	Llandudno	14:01	Started back at Manchester Airport
1D37	SX	ATW	12:37	Manchester Airport	Llandudno	15:01	Started back at Manchester Airport
1D38	SX	ATW	13:37	Manchester Airport	Llandudno	16:01	Started back at Manchester Airport
1D39	SX	ATW	14:37	Manchester Airport	Llandudno	17:01	Started back at Manchester Airport
1D30	SX	ATW	15:37	Manchester Airport	Llandudno	18:01	Started back at Manchester Airport

Added to MOIRA Run

Changes made to FTPE services (required to fit ATW train paths to Manchester Airport)

Extra time has to be added into FTPE's services from Blackpool and Cleethorpes, to ensure there is sufficinet paths for ATW to operate from Manchester Piccadilly to Manchester Airport.
Several services orginating at Cleethorpes must have 3 minutes added to their journey time between Manchester Piccadilly to Manchester Airport.
Several services orginating at Blackpool North must have 6 minutes added to their journey time between Manchester Piccadilly to Manchester Airport.

Headcode	Days Run	Operator	Dep	Origin	Destination	Arr	Notes
1U57	Sx	FTPE	08:40	Blackpool North	Manchester Airpor	10:23	6 minutes added to journey time between Manchester Piccadilly to Heald Green/Manchester Airport.
1U59	Sx	FTPE	09:40	Blackpool North	Manchester Airpor	11:23	6 minutes added to journey time between Manchester Piccadilly to Heald Green/Manchester Airport.
1U61	Sx	FTPE	10:40	Blackpool North	Manchester Airpor	12:23	6 minutes added to journey time between Manchester Piccadilly to Heald Green/Manchester Airport.
1U63	Sx	FTPE	11:40	Blackpool North	Manchester Airpor	13:23	6 minutes added to journey time between Manchester Piccadilly to Heald Green/Manchester Airport.
1U65	Sx	FTPE	12:40	Blackpool North	Manchester Airpor	14:23	6 minutes added to journey time between Manchester Piccadilly to Heald Green/Manchester Airport.
1U67	Sx	FTPE	13:40	Blackpool North	Manchester Airpor	15:23	6 minutes added to journey time between Manchester Piccadilly to Heald Green/Manchester Airport.

Headcode	Days Run	Operator	Dep	Origin	Destination	Arr	Notes
1B69	Sx	FTPE	07:26	Cleethorpes	Manchester Airpor	10:26	3 minutes added to journey time between Manchester Piccadilly to Manchester Airport.
1B71	Sx	FTPE	08:26	Cleethorpes	Manchester Airpor	11:26	3 minutes added to journey time between Manchester Piccadilly to Manchester Airport.
1B73	Sx	FTPE	09:26	Cleethorpes	Manchester Airpor	12:26	3 minutes added to journey time between Manchester Piccadilly to Manchester Airport.
1B75	Sx	FTPE	10:26	Cleethorpes	Manchester Airpor	13:26	3 minutes added to journey time between Manchester Piccadilly to Manchester Airport.
1B77	Sx	FTPE	11:26	Cleethorpes	Manchester Airpor	14:26	3 minutes added to journey time between Manchester Piccadilly to Manchester Airport.
1B79	Sx	FTPE	12:26	Cleethorpes	Manchester Airpor	15:26	3 minutes added to journey time between Manchester Piccadilly to Manchester Airport.

Northern Timetable Modifications

Headcode	Days Run	Operator	Dep	Origin	Destination	Arr	Notes
	Sx	NT	09:16	Liverpool Lime Street	Manchester Airpor	10:24	3 minutes added to journey time between Manchester Piccadilly to Manchester Airport.
	Sx	NT	10:16	Liverpool Lime Street	Manchester Airpor	11:23	3 minutes added to journey time between Manchester Piccadilly to Manchester Airport.
	Sx	NT	11:16	Liverpool Lime Street	Manchester Airpor	12:24	3 minutes added to journey time between Manchester Piccadilly to Manchester Airport.
	Sx	NT	12:16	Liverpool Lime Street	Manchester Airpor	13:24	3 minutes added to journey time between Manchester Piccadilly to Manchester Airport.
	Sx	NT	13:16	Liverpool Lime Street	Manchester Airpor	14:24	3 minutes added to journey time between Manchester Piccadilly to Manchester Airport.
	Sx	NT	14:16	Liverpool Lime Street	Manchester Airpor	15:24	3 minutes added to journey time between Manchester Piccadilly to Manchester Airport.

MOIRA Output File

	Printout Date: 03/12/2015; Printout Time: 1043										
	User Name: winftfw										
	Moira Release: 0439										
	Summer Revenue: Actual Year to MAR 2015										
	Winter Revenue: Actual Year to MAR 2015										
	Layers: Greater Manchester; Merseyside; South Yorkshire; Strathclyde; Tyne & Wear; West Yorkshire; Residual Layer (07/05/201										
	Weekday Data: INCLUDED; Saturday Data: INCLUDED; Sunday Data: INCLUDED										
	Values of Time Set: PDFH 5.1 Formulation										
	Elasticity Values Set: PDFH 5.1 Formulation										
	Old Parameters: Base Data; Base Data; Base Data; Base Data										
	New Parameters: Base Data; Base Data; Base Data; Base Data										
	Pot Sorted: TransPennine		**National Rail >**			**TransPennine >**			**ZZ Open Access >**		
	Old: MAY 2015 (WED Full Day) (357100)		**Old R**	**New R**	**Chnge**	**Old R**	**New R**	**Chnge**	**Old R**	**New R**	**Chnge**
	New: ATW MIA (inc TPE Retimings (357106)		**£000s**	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**
	All Flows	Increases	2395	2385	**-10**	354	359	**5**	0	0	**0**
	All Flows	Decreases	21286	21270	**-15**	14837	14598	**-238**	0	0	**0**
	All Flows	Unchanged	6214291	6214291	**0**	194132	194132	**0**	0	0	**0**
	All Flows	**Loss/Gain**	**6237971**	**6237946**	**-25**	**209323**	**209090**	**-233**	**0**	**0**	**0**
1	Manchtr Airport	Liverpool BR	1747	1738	**-9**	87	90	**3**	0	0	**0**
	Other Flows	Increases	648	647	**-1**	267	270	**3**	0	0	**0**
1	Manchtr Airport	Manchester BR	3763	3751	**-12**	2290	2196	**-94**	0	0	**0**
2	Manchtr Airport	Sheffield	2934	2916	**-17**	2696	2671	**-25**	0	0	**0**
3	Heald Green	Manchester BR	734	729	**-5**	331	313	**-18**	0	0	**0**
4	Manchtr Airport	Warrington BR	72	75	**4**	34	25	**-9**	0	0	**0**
5	Manchtr Airport	Preston Lancs	869	865	**-4**	866	858	**-9**	0	0	**0**
6	Blackpool North	Manchtr Airport	621	615	**-7**	594	586	**-8**	0	0	**0**
7	Lancaster	Manchtr Airport	827	826	**-1**	813	805	**-8**	0	0	**0**
8	Chester	Manchtr Airport	242	253	**11**	18	13	**-5**	0	0	**0**
9	Edinburgh	Manchtr Airport	1006	1006	**0**	959	955	**-4**	0	0	**0**
10	Bangor Gwynedd	Manchtr Airport	274	287	**13**	11	7	**-4**	0	0	**0**
11	Manchtr Airport	Poulton Le Fylde	203	200	**-3**	195	192	**-3**	0	0	**0**
12	Manchtr Airport	Rhyl	68	74	**6**	6	4	**-3**	0	0	**0**
13	Llandudno Jn	Manchtr Airport	61	67	**6**	5	2	**-2**	0	0	**0**
14	Doncaster	Manchtr Airport	513	511	**-2**	508	506	**-2**	0	0	**0**
15	Manchtr Airport	Oxenholme	253	253	**0**	245	243	**-2**	0	0	**0**
16	Bolton Manchr	Manchtr Airport	320	319	**-1**	140	138	**-2**	0	0	**0**
17	Barrow In Furn	Manchtr Airport	349	348	**-1**	292	290	**-2**	0	0	**0**
18	Llandudno	Manchtr Airport	40	43	**4**	3	1	**-2**	0	0	**0**
19	Carlisle	Manchtr Airport	428	428	**0**	413	412	**-2**	0	0	**0**
20	Chorley	Manchtr Airport	142	141	**-1**	99	97	**-2**	0	0	**0**
21	Manchtr Airport	Glasgow BR	989	989	**0**	857	855	**-2**	0	0	**0**
22	Colwyn Bay	Manchtr Airport	46	50	**4**	4	2	**-2**	0	0	**0**
23	Manchtr Airport	Penrith	271	271	**0**	262	260	**-2**	0	0	**0**
24	Meadowhall Sheff	Manchtr Airport	219	218	**-1**	217	216	**-2**	0	0	**0**
25	Grimsby Town	Manchtr Airport	372	370	**-1**	372	370	**-1**	0	0	**0**
26	Manchtr Airport	Scunthorpe	306	305	**-1**	306	305	**-1**	0	0	**0**
27	Manchtr Airport	Wrexham General	34	37	**2**	2	1	**-1**	0	0	**0**
28	Helsby	Manchtr Airport	11	12	**1**	2	1	**-1**	0	0	**0**
29	Manchtr Airport	Wigan BR	151	150	**-1**	118	117	**-1**	0	0	**0**
	Other Flows	Decreases	5168	5160	**-7**	2178	2159	**-19**	0	0	**0**
	Other Flows	Unchanged	6214291	6214291	**0**	194132	194132	**0**	0	0	**0**