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BY EMAIL ONLY

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Section 17 applications for access to Temple Mills International depot

- Since August 2024, the Office of Rail and Road ("ORR") has received four applications requesting access to Temple Mills International depot ("TMI"), submitted in accordance with section 17 of the Railways Act 1993 ("the Act"). Each application requests that ORR gives directions to Eurostar International Limited ("Eurostar") to enter a Depot Access Agreement ("DAA") in respect of TMI, where Eurostar is the Depot Facility Owner ("DFO").
- 2. Those applications are from:
 - Evolyn received on 23 August 2024
 - VTE Holdings Limited received on 23 October 2024
 - Gemini Trains received on 28 February 2025
 - Trenitalia France received on 28 March 2025
- 3. ORR believes that the growing appetite to invest in the provision of more international services will be welcomed by passengers. Depot capacity is critical to realising this opportunity. We are now entering the concluding phase of considering applications to access TMI. We need operators to set out more detail on their proposals at pace and we will work as quickly and as thoroughly as possible to reach a decision on the applications for directions. This letter sets out the process for how we will do that.
- 4. To ensure a fair and transparent process and to enable robust decision-making ORR is taking the necessary steps to assess the applications thoroughly:
 - We requested additional information as initial applications were not sufficiently detailed on some aspects.
 - We then sought views from the facility owner, shared them with the applicants inviting their representations, including on the issues raised by the facility owner about the process.
 - This was repeated for each subsequent application as is required by the law and in line with associated statutory deadlines.
 - Having received that further information and representations (from Evolyn and VTE Holdings Limited) we were able to conclude that we could



proceed with the applications.

https://www.orr.gov.uk/sites/default/files/2025-03/2025-02-27-orr-responseto-eurostar.pdf. Subsequently applications were received from Gemini Trains and Trenitalia France and, having received their further representations, we were able to conclude that we could also proceed with their applications.

- In parallel we commissioned an independent capacity study for TMI as we needed to understand if there was any space available, otherwise the process would be irrelevant.
- 5. Making a decision demands greater detail and evidence from Eurostar and the applicants, so we are now launching this concluding phase of the process of considering the section 17 applications. This letter sets out our decision-making process, including the indicative assessment criteria and proposed timescales. We trust that this letter will provide clarity around next steps to the applicants, to Eurostar and to those parties with a wider interest in TMI.

Relevant legislation

- 6. Under the Act ORR must approve DAAs and any amendments to them. If the parties reach agreement on the terms of a DAA, they jointly submit the proposed contract to ORR for approval, under section 18 of the Act. Where the parties cannot reach agreement, the party seeking access can apply to ORR under section 17 of the Act and ask us to direct the DFO to enter into the contract.
- 7. Section 17 of the Act requires ORR to follow a statutory consultation process that is set out in Schedule 4 to the Act. That process stipulates certain minimum statutory timescales and requires ORR to comply with the following key steps:
 - Share the section 17 application with the facility owner and invite its written representations;
 - Share any representations received from the facility owner with the applicant and invite its written representations;
 - Require the facility owner to furnish ORR with the name(s) and address(es) of every "interested person¹";
 - Where the name and address of an interested person is provided to ORR, invite the interested person to submit written representations;
 - Share any representations received from an interested person with the applicant and facility owner and invite their written representations.

¹ "Interested person" is a term narrowly defined under the Railways Act, and as set out in Schedule 4, paragraph 1 "means any person whose consent is required by the facility owner, as a result of an obligation or duty owed by the facility owner which arose after the coming into force of section 17 of this Act, before the facility owner may enter into the required access contract".



- 8. Each application for access must be considered on its individual merits and this has required ORR to carefully follow the statutory process described above for each application. We do not currently consider that the parties indicated by Eurostar as "interested persons" fall within that definition, but we intend to nonetheless ask for their representations as parties with a wider interest in the applications and are going to write to them (and to those other parties that we consider have a wider interest) separately about this.
- Following completion of the initial stages of the process (documentation is here <u>Depot access applications and decisions | Office of Rail and Road</u>), we are now moving forward with the concluding phase of our consideration of the applications. We set out our next steps below.

Assessing available capacity at TMI

- 10. ORR considers that understanding the available capacity at TMI is a key consideration to progressing the applications for directions. Therefore, in January 2025 we commissioned IPEX to conduct an independent capacity analysis study, which was welcomed by stakeholders. The study concluded that:
 - There is some available capacity at TMI for more trains to be stabled, serviced and maintained;
 - Some of this capacity can be accessed without any changes to current operational practices at the depot; and
 - The rest of this capacity may be delivered through investment in changes to current operational practices. This does not include any adaptations required to ensure compatibility with different types of trains.
- 11. Before reaching final conclusions, we consulted stakeholders for any evidence to support or change these initial findings. ORR received positive feedback from stakeholders who welcomed the consultation, and the detail contained within the report. ORR has now reviewed this evidence and concluded that the independent assessment is an accurate reflection of available capacity at TMI.
- 12. Several responses to the consultation noted that the level of capacity identified by ORR to date is unlikely to be sufficient to accommodate all of the aspirations articulated by new applicants and by Eurostar. Several respondents noted the need for wider investment and changes in approach in order to relieve this constraint. While it is outside the scope of the section 17 process for ORR to direct on such matters, we would stress to all parties that our continuation of that process does not preclude the parties working together on alternative and agreeable solutions.



ORR's duties

- 13. ORR determines all access applications in the manner we consider best calculated to achieve our statutory duties, which are set out mainly in section 4 of the Act and detailed in our guidance document <u>"Our Rail and Road Duties"</u>. The weight we place on each duty depends on the circumstances of each case. Where the duties point in different directions, we weigh them against each other to help us reach a decision.
- 14. Although our duties are wide ranging, our experience generally is that a subset tends to be particularly relevant to access decisions. As noted at paragraph 3.27 of our <u>Criteria & procedures for the approval of depot access agreements</u>, when considering whether to approve a depot access agreement, we will have particular regard to our section 4 duties, and more specifically our duties:

(a) to protect the interests of users of railway services (section 4(1)(a) of the Act);

(b) to promote the use of the railway network in Great Britain for the carriage of passengers and goods, and the development of that railway network, to the greatest extent that [we] consider economically practicable (section 4 (1)(b) of the Act); and

(c) to enable persons providing railway services to plan the future of their businesses with a reasonable degree of assurance (section 4(1)(g) of the Act).

- 15. Competing applications for depot access are rare and the four applicants and the DFO have told us that access to TMI is critical for them to enter/grow the international rail market. Therefore, we consider that many of the duties that ORR uses to assess competing applications for network capacity are likely also to be relevant here.
- 16. In addition to the duties set out in paragraph 14 above, the following additional duties are likely to be of particular relevance in this case:
 - promote improvements in railway service performance;

• promote competition in the provision of railway services for the benefit of rail users.



Assessment criteria

17. To inform our consideration of our section 4 duties, there are several key criteria we use to assess applications for access, including where there are competing applications and/or applications to use constrained capacity. We set out below the key criteria and evidence that ORR intends to use as part of our assessment of the section 17 applications. These are informed by the information currently available to us and are shown in no particular order, in the table below.

Criteria	Relevant Duties	Evidence
Availability of	Promote the use and	Evidence that use of the available
capacity	development of the network	capacity is justified by operators'
	to the greatest extent	service plans and is sufficient to
	economically practicable.	support delivery of those plans.
Performance	Promote improvements in	Demonstration that operators'
	railway service performance.	plans for more extensive use of
		TMI will not negatively impact
		operational performance.
Operational	Promote efficiency and	Delivery plans demonstrating clear
readiness	economy on the part of	intent and ability to use the
and viability	persons providing railway services.	capacity promptly.
		Explanation of progress towards
		securing other necessary access
		agreements and regulatory
		approvals.
Financial viability	Promote efficiency and	Appropriate business plans,
	economy on the part of	suitable expertise and a reasonable
	persons providing railway	expectation of securing the
	services.	required investment and rolling
		stock.
	Otherwise protect the	
	interests of users of railway	
	services.	
Economic and	Promote competition in the	Evidence so that we can assess
societal benefits	provision of railway services	the benefits (e.g. to passengers) of
associated with	for the benefit of rail users.	introducing new services and the
the applications		anticipated financial impact on
	Otherwise protect the interests of users of rail	existing operators.
	interests of users of rall services.	
Views of	Enable persons providing	Operators' responses to issues
stakeholders	railway services to plan the	raised by other stakeholders during
	future of their businesses with	the process.
	a reasonable degree of	
	assurance.	



Next Steps

- 18. ORR has developed the following plan for decision making on the section 17 applications:
 - Invite further information, clarifications and representations from all applicants, Eurostar and interested persons/parties with a wider interest - to be received by 3 July 2025
 - Invite replies to these representations to be received by 31 July 2025
 - ORR to consider all representations, consider if further clarifications are required, and assess applications by 30 September 2025
 - ORR to issue access decisions by 31 October 2025.

19. In the week commencing 9 June 2025 we plan to:

- write to all those that have submitted section 17 applications requesting specific information to support their application and any other clarification we may require;
- write to Eurostar and invite it to set out its plans for future use of TMI; and
- write to all interested persons/parties with a wider interest inviting their representations.

20. On receipt of this letter, we ask that the applicants, Eurostar and interested persons/parties with a wider interest start to consider the evidence they will wish to submit to ORR, in line with the assessment criteria set out in paragraph 17 above. This will help ensure that we meet the deadlines set out in paragraph 18 above.

21. In order that ORR can meet the indicative timescales above, it is important that all parties respond as fully as possible by the deadlines set. We aim to have obtained all relevant information by 31 July 2025, after which we will carefully consider it with a view to issuing our decision by 31 October 2025. Any information submitted after 31 July 2025 will impact on these timescales.

22. We will keep this plan under review in terms of timings and procedural steps. We will notify relevant parties if it becomes necessary to make significant changes to it.

23. We will continue engagement with all key stakeholders to ensure the process is clearly understood and that ORR is transparent in reaching a final decision.

Yours faithfully,

Martin Jones