

s17-Grand Union Trains-London–Stirling application- Redacted industry consultation responses

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From: Jones, David - Integrated Transport

Sent: 21 June 2021 07:31

To: Gianmaria Cutrupi

Subject: RE: Industry Consultation - Grand Union Trains, Section 17 Application, London Euston-Stirling

Gian

Thank you for the opportunity to comment on this consultation.

The LCR is fundamentally in favour of improving services to passengers. However there is concern that this could impact on both the current services on the West Coast Main Line and those services already committed such as the additional Liverpool-London train which will come into service in December 2022.

On this basis we could only accept this application if it can be demonstrated that this service will not impact on the those improvements expected to come into service and specifically the Liverpool-London service.

David

[David Jones](#)

Rail Development Manager | 1 Mann Island, Liverpool, L3 1BP

Annotated extracts from the Form P

3.1 Exec summary

Grand Union is proposing a 'classic' open access service linking towns which have no, or limited, long distance services into the wider rail network as far as London. It provides greatly improved connectivity as well as competitive services for some station pairs on the West Coast Main Line

Four trains per day are planned to operate between Stirling and London Euston via the Scottish Central route which avoids both Edinburgh and Glasgow with intermediate calls at Larbert, Greenfaulds, Whifflet, Motherwell, Lockerbie in Scotland and Carlisle, Preston, Crewe, Nuneaton and Milton Keynes in England.

Grand Union intend to work with the appropriate local authorities and ScotRail to discuss investment at Larbert, Greenfaulds, Whifflet and Lockerbie to upgrade the stations and improve passenger and staff facilities to a standard appropriate for use by Intercity trains, but which will also benefit local passengers. 1. See below for comments on the stations selected. We are also in discussions with Transport Scotland, ScotRail and local authorities regarding potential further investment. 2. Attractive stations and helpful, empowered, staff are vital aspects of the "total journey".

Grand Union is initially seeking a 10 year track access contract to reflect the remaining life of the train fleet and infrastructure investment. Significant announced delays to HS2 means longer contracts can now be considered. We will reappraise the operation once the future of the WCML and HS2 has become clearer, Transport Scotland has more fully revealed its future electrification plans and the timescale for network upgrades has become clearer.

4.1 benefits

Since the privatisation of the West Coast Main Line (WCML) in March 1997, there has been no on-track competition over the full length of the route, nor indeed any concluded competition 'for the market' until this summer (2019). 3. Lengthy inter-city routes such as those over the WCML are made up of many flows, and there has been plenty of TOC on TOC competition over much of the route, except between Crewe and Wigan NW. Analysis of the impact of competition on the WCML appears to be wanting. Following the award of the West Coast Partnership, the CMA has instigated a Phase 1 investigation due to the lack of competition on a number of routes from Preston northwards, as First Group companies will have a monopoly on a number of flows. This proposal addresses some (but not all) of those issues.

The Scottish services were initially the poor relation of the Virgin operation and for some time Glasgow, with a two hourly frequency service was less frequent than Chester or Liverpool. This has changed with Glasgow now receiving an hourly service, but the one-time headline 4 hours 9 minutes timing of the 16 30 from Euston has been down-graded to the standard times of around 4 hours 30 minutes, with 5 or 6 calls in the Northwest of England.

Virgin has failed to serve Motherwell 4. As has TPE, who until recently also did not serve Motherwell consistently, despite Transport Focus's prompting. One issue, of course, is the difficulty in slotting inter-city services into ScotRail's frequent and somewhat irregular local trains. The current West Coast weekday up timetable offers four trains to London (two via Birmingham), plus the Lowland Caledonian Sleeper; the down timetable offers the same quantum, with only one train routed via Birmingham. and it is only with the advent of the TPE

calls that services from this important station have started to return to their previous status – although it is noted that the West Coast Partnership intends to call at Motherwell from December 2022.

On the East Coast Main Line there has been a steady increase in services between London and Edinburgh but apart from one token additional service to and from Stirling 5. LNER's weekday timetable has departures for King's Cross at 5.26 and 10.48, returning from King's Cross at 12.00 and 15.00, and a call each way by the Highland Caledonian Sleeper. at the start and end of the day, no attempt has been made to provide more direct services beyond Edinburgh – apparently relying on interchange at the increasingly crowded Waverley station which can include the need to negotiate two sets of ticket barriers. 6. Interchange is an issue that deserves more attention – how can it be made easier for passengers? Of course, passengers from west of Edinburgh can make connections at Haymarket, and do not need to continue to Waverley.

Grand Union is therefore proposing a new service between Stirling and London Euston making use of the Scottish Central line which avoids both Glasgow and Edinburgh. Cascaded Class 91 and Mk4 sets from the East Coast Main Line will be used. Services are planned to operate every 3 to 4 hours with the first up train leaving at about 0530 and the first down train leaving around 0835. Last up train would be around 1635 and last down train around 16 38. 7. The proposed departures provide a good spread over the day; more details about possible journey times should be provided. Services would operate 7 days a week with a slightly reduced service on Sunday mornings. 8. The youngest Class 91 locos will be forty years old by 2031, older than the youngest LNER HSTs are. Reliability, especially on such a long route, is vital to create trust amongst passengers.

These trains will offer a high quality specification travelling environment with excellent legroom and sufficient luggage space for the long distance journeys that will be made, appropriate on-board catering facilities for the long distance and high value journeys, including a fixed buffet and a kitchen and will also have space for a number of bicycles and for light freight.

As has been proved on the ECML - where open access services will soon operate at more than one an hour - when new and additional services are introduced there is a significant increase in passenger numbers and satisfaction, as competitive pressures, which bring improved connectivity, varying passenger offers and price competition, start to take effect. 9. An item in Railnews (posted 4/4/19) reports that Virgin West Coast journeys rose by "almost" 10 million, around a third, from 2013 to 2018/9. The ORR shows around 8% growth on "LNER" from Q.1 2014/5 to Q.4 2018/9.

<https://dataportal.orr.gov.uk/statistics/usage/passenger-rail-usage/>

The Grand Union proposal is designed to offer the considerable population of over 1 million people in Scotland directly served by the new service a whole new dimension in their travel option with extra trains and greatly improved connectivity. The provision of through services to and from the Scottish stations which will be served will transform the connectivity of a whole range of significant towns and enable direct journeys, as opposed to enforced travel through the congested hubs of Edinburgh and Glasgow. The elimination of the need to make connections through Edinburgh or Glasgow will result in shorter journey times and avoid the need to change trains, possibly between the two stations in Glasgow. This, and a comfortable seat are a key part of our offer to encourage passengers to make use of the direct trains

It will reflect the changing nature of the post-industrial towns in Lanarkshire with their new populations of mobile people at the heart of the developing central belt economy based around Edinburgh and Glasgow.

The call at Lockerbie, which compliments the call at Carlisle, opens up direct travel from a massive south of Scotland hinterland. 10. Lockerbie's current two down and one up weekday service from/to Euston does not offer a very attractive timetable. In England the connectivity and journey time improvements that arise from the interlinking of critical connectional points with each other and with Scotland provide for a wide range of new journeys, with Nuneaton offering new travel opportunities especially from Leicester and Peterborough as well as more locally in the West Midlands, 11. Milton Keynes Central has hourly calls by AWC services between London and Glasgow/Edinburgh, albeit via Birmingham. Faster through journeys to Preston and Carlisle would be welcome. building on upgrades to local and Inter-Regional services. The call at Milton Keynes will be ready for the connectional benefits of East-West Rail as well as offering fast long-distance travel opportunities to the fast growing South Midlands region.

Grand Union will offer significant further passenger benefits. These will include high quality seating, excellent leg room, more luggage space, a fixed buffet with kitchen providing a range of catering, and flexible ticket options for passengers, (e.g. no need to purchase before boarding, and passengers can use railcards when purchasing tickets on the train). 12. There is definitely a need to improve the on-board "experience", and the public's input to the trains' interior design should be required. More details of what is proposed would be welcome. Most stations have ATGs, which could create problems for passengers trying to access platforms without tickets.

Grand Union will also make a seat part of the price for the ticket, so for journeys in excess of 30 minutes, any passenger who is unable to be provided with a seat will receive a 50% refund on their ticket, or, if paying on the train, will pay 50% of the advertised fare. 13. Will delay-repay also apply?

The new service will provide significant space for carrying bicycles, which is particularly critical for the Scottish tourist market and will compensate for the loss of cycle space on the new LNER operated Azuma services.

Grand Union will also use the space within the DVT to carry freight items and is working alongside partners at Intercity Railfreight on the logistics of this important initiative. This service will link the major logistics areas around Daventry with those in the Scottish Central Belt. This will also include refrigerated space for movement of urgent NHS biological materials. 14. Making the best use of a train's capability and capacity is very sensible. Managing such freight and cycles at station stops must be efficient.

Each station has been chosen because of the benefits and opportunities that it brings. This calling pattern has been designed to provide a major increase in connectivity for the rapidly changing towns between Edinburgh and Glasgow that are on and around the Scottish Central corridor

Starting at Stirling we offer a step change in the link to Scotland's smallest city, which is a growing administrative and academic centre and now the subject of the City Deal. The new ScotRail services developing post electrification provide excellent connectivity to the main lines to Aberdeen and Inverness. Stirling also offers excellent road links across the whole of the north of Scotland and the Highlands. It is our intention to work with smaller tour operators to build the Scottish tourism market outside Edinburgh.

The calls at Greenfaulds, Whifflet 15. These two stations are very much “suburban” in their facilities. Greenfaulds is shown in its National Rail site as having 320 parking spaces; Whifflet’s car park (36 spaces), as shown in Google Earth’s view, in May 2018, was almost full:



It is also only about 4½ miles from Motherwell, where there are proposals to improve the present parking provision: <https://www.northlanarkshire.gov.uk/index.aspx?articleid=33761> Greenfaulds is about 6½ miles to the north of Whifflet; three stations within 11 miles.

and Motherwell will improve connectivity for these communities and the whole of the surrounding area which represents the eastern extent of “Greater Glasgow”. This area is the furthest from the two central Scottish airports of Edinburgh and Glasgow and the proposed service will greatly enhance rail connectivity and improve rail competitiveness against air for these communities, with corresponding CO2 benefits.

These calls have been designed to link into the developing road networks, provide car parking options and also to connect into the very considerable local ScotRail electric network which has developed between Edinburgh and Glasgow in the past two years.

They also follow the busy line of the M80, M73 and then M74 to the Border. A new direct service should prove attractive to car users along this corridor so also make a further significant reduction in CO2 emissions. 16. Was Carstairs considered as a railhead station? There is land for parking, good road access, it is about five miles from Lanark, with a wide catchment area that is without easy access to England.

The Lockerbie call provides a stronger link for a massive rural area stretching to the west coast some 80 miles away to the west and into the southern Borders to the east, with the call at Carlisle complimenting this as well as serving the north of Cumbria. These two stations are in the area covered by the Borderlands Growth Deal.

Preston and Crewe are critical interchange points offering a wide range of links to Manchester, Liverpool, Birmingham, Wales and the East Midlands. Preston and/or Crewe are potentially the operational base at the south end of the route.

Nuneaton offers new links to the northwest and Scotland from Leicester, Peterborough and Cambridge as well as Coventry and Leamington, with Milton Keynes serving the growing South Midlands region as well as offering new connectional links when East-West Rail opens

Grand Union will base its operation in Scotland but will need a central base, possibly at Preston/Crewe from which the English part of the route will be managed. We are proposing to have our trains maintained in Scotland. As there will be a significant surplus of class 91s and Mk4 coaches it is planned to operate initial services with more trains than would 17. **Would all the train sets be refurbished to the same standards?** normally be the case – in effect keeping the trains in lighter use (rather than store) to keep them operational so that they are available for other potential uses. The current expectation is that 5 train sets will be available to cover 3 diagrams.

As a consequence of this spare capacity, Grand Union is hoping to utilise downtime on depots by having its trains maintained during the day, rather than at night. This offers significant work for the chosen train maintainer at times of otherwise low use and makes more efficient use of depot capital equipment.

This will also enable Grand Union to have significant quantity of high quality, high speed rolling stock to support the many major events that occur in Scotland, for example rugby internationals and the Edinburgh Festival. Franchise operators will then be able to concentrate on core services without the need to reduce services elsewhere to provide passenger carrying capacity during major events.

Over 100 new and permanent full-time posts are expected to be created by the operation of this new service, which will bring further benefits to the local supply chains, in terms of maintenance, servicing and provision of catering supplies and support.

4.3 flexing rights

Grand Union is not expecting a perfect 'clockface' timetable, as is attempted by other train operators on the West Coast Main Line but is willing to fit into the pattern of services and sit alongside the clockface timetable being developed for others. By operating a limited stop service it is anticipated that the paths will be able to be integrated with other non-tilt paths, so Grand Union will provide Network Rail with new options in relation to 'flighting' of trains - a process which has been demonstrated to be an efficient and effective use of capacity and regulation for many years for High Speed Eurostar services on HS1. **18. Transport Focus supports a holistic approach to timetabling that matches passenger needs as closely as possible with infrastructure capability/capacity and resources.**

4.4 j/t protection

Grand Union intends to provide a competitive, direct, high quality Intercity train service for a number of relatively poorly served (or not served at all by cross Border trains) stations in Scotland. The key markets are going to be air over the longer distances (London and the

Midlands) and car for travel to the Northwest from Scotland, so as short as possible journey times are an important part of securing modal shift.

Competitive journey times have proved an important factor in persuading people out of higher carbon emitting aircraft and out of their cars. The latter is a significant travel mode to Northwest England from this area. Shorter journey times will also encourage new discretionary travel to build the Scottish tourist business, especially short stay, but sustainably. This is in line with the UK & Scottish nett zero targets and Scottish Government's Climate Emergency

However along the length of the West Coast Main Line there will be a need to maintain journey times as far as is possible in line with the existing Virgin/WCP trains to make best use of the capacity as well as secure the required competitive journey times to attract passengers from the dominant mode - air - so we will be seeking to minimise unnecessary pathing time from the timetable. 19. There are considerable issues with performance over parts of the WCML, as indeed there are over many sections of the whole British network. Timetables designed to match passengers' needs must be constructed to be reliable.

Grand Union will be requesting that Network Rail assess the opportunities to raise non-tilt speeds along the length of the south end of the route as has happened at the north end for TPE's new Nova 2 class 397 trains for their Manchester Airport/Liverpool to/from Edinburgh/Glasgow services. As well as reducing journey times this would also ease pathing constraints at the south end of the route, effectively providing more useable capacity for all operators. 20. "Smoothing" the speed profiles, both of the route and of the trains, is one way to maximise capacity, however, passengers will not welcome longer journey times.

This will also be required for the new West Coast Partnership trains which will be non-tilt and will have to be delivered for the timetable change in December 2022, only 18 months after the proposed start of operations of the Grand Union Trains service to Stirling. 21. It is to be noted that AWC have emphasised that they will continue to use their Pendolino fleet's tilting capability – "What advantage would anybody get turning it off?" (First Rail Managing Director Steve Montgomery). As well as reducing journey times, tilt does make journeys more comfortable.

So Grand Union will look to discuss with Network Rail rights that may offer a degree of journey time protection. We are aware of Network Rail's view that additional characteristics beyond quantum may restrict the flexibility available to them in constructing the timetable and fully intend to work closely with them on this matter and provide the justification for these additional characteristics where necessary, and support the request by a demonstrable need. 22. The network is better planned as such, not using a piece-meal approach. Parts of the WCML north of Preston already have five passenger services in each direction for several hours of the day. Could portioned working be a way to reduce the demand for paths?

4.5 specified equip

Grand Union will be using Class 91 locomotives, up to 9 Mark 4 coaches and a Driving Van Trailer on each of its trains. These trains are currently operating on the East Coast Main Line. 22. See 8., above.

The trains will be available for crew and route training, ramping up from the autumn of 2020 to a service start in May 2021. The first sets are already being released from the ECML. It is highly desirable for maintaining quality and reliability that trains are kept in operation, rather than stored out of use. As a result, starting to use the trains in autumn 2020 for a May 2021 service start is vital to ensure reliable operation. 23. Crew training has led to all too many

train cancellations on certain TOCs. It is reassuring to read that training will be conducted in a timely manner.

Colleagues at Eversholt Rail are currently working through the route availability for their operation on the WCML.



Department
for Transport

Great Minster House
33 Horseferry Road
London
SW1P 4DR

05 July 2021

Gianmaria Cutrupi, Customer Manager
by email:

Dear Gianmaria,

Industry Consultation - Grand Union Trains, Section 17 Application, London Euston-Stirling

Thank you for sharing the above Grand Union Trains (GUT) track access application and for providing the Department for Transport the opportunity to respond to the industry consultation.

I note the deadline for a response is Sunday 18 July 2021 and write to you to request a one-month extension to this deadline, to Wednesday 18 August.

This is a significant application, with implications for both users of the route and the public finances. It is important that any decisions on this application are made on the basis of a firm evidence base. As you can appreciate, the Department is keen to be able to review the application fully and ensure a comprehensive review of the application is completed in order to provide relevant feedback as part of this consultation process. This will involve detailed work from our analysis teams within the Department as well as other teams across the Department. I do not believe that the initial, one month, timeframe set out will enable the Department to do this full review, creating a risk of decisions being taken on the basis of partial or flawed evidence.

I look forward to hearing from you. Please contact me if you wish to discuss further in the meantime.

You sincerely,

A handwritten signature in blue ink, appearing to read 'O. Mulvey'.

Oliver Mulvey
Deputy Director, Rail Strategy

13th July 2021

Dear Gianmaria,

XCTL's response to Proposed Application under Section 17 between Network Rail Infrastructure Ltd and Grand Union Trains Ltd.

This letter constitutes to XCTL's formal response. XCTL is unable to support Grand Union's application on several grounds which need addressing satisfactorily prior to support being provided.

Traction

The latest proposal now indicates the use of the class 93 locomotives, does the decrease in top speed from 125 miles per hour to 110 miles per hour effect the overall envisaged journey times. In addition, can Grand Union advise how costings for track improvements will be carried out in order to upgrade line speeds for non-tilting trains?

Capacity / Performance

XCTL would like to see indicative paths to get an idea of interactions with other operator's services at a number of traffic centres, those of most concern are.

- Motherwell – Glasgow - Currently a heavily congested piece of infrastructure with several passenger and freight operators using the corridor as part of long-distance journeys potentially carrying over any disruption to other regions.
- Southern West Coast Mainline - Currently designated as congested infrastructure and of major concern given the potential impact on the West Midlands following disruption.

Will Grand Union be seeking firm or contingent rights? Given the Southern West Coast Mainline is designated as congested infrastructure only contingent rights would be applicable in this instance.

Regarding performance XCTL notes Grand Unions overall strategy for performance but requests specific details of performance management measures and tools to used within the envisaged performance framework to ensure successful implementation and management.

Summary


In summary XCTL cannot support the proposal at this current time due to the outstanding questions stated above, XCTL's view is that whilst the latest proposal is an improvement it still leaves questions unanswered, whilst XCTL understands the aspiration and the willingness of Grand Union to fit around current services and ultimately offer an alternate choice to passengers, without the necessary data we are unable to asses the impact of the proposal on to the wider network and thus cannot carry out the due diligence required.

XCTL would like Network Rail/Grand Union to clarify the above points before XCTL will be able to support this application.

Yours sincerely,

Scott Turner

Track Access Specialist

Part of Arriva – a  company

From: granduniontrains.com

Sent: 14 July 2021 15:12

To: networkrail.co.uk; crosscountrytrains.co.uk

Cc: orr.gov.uk; track.access@orr.gov.uk

Subject: RE: Industry Consultation - Grand Union Trains, Section 17 Application, London Euston-Stirling

Thank you for your response to the recent consultation. I address the points you have raised below.

Traction

There is no decrease in speed to the planned timetable. Class 91s were always restricted to 110mph on the route due to the omission of tilt. The Class 93 is however more flexible being tri-mode and also more powerful enabling quicker acceleration.

Capacity/Performance

Grand Union is part of the current IPG looking at developing the changing timetable on the WCML following Network Rail's declaration of congested infrastructure. This work is also being carried at the request of the ORR to see if changes by Avanti and Grand Union can both be accommodated. As a result our initial work on proving capacity has now been overtaken by some more detailed timetable work by Network Rail looking at the route overall.

You may be aware that work is being led by Avanti, and their initial output is that Grand Union's services can be accommodated (the route work looked as far as Motherwell) with journey times that are an improvement on our initial work. Grand Union has shared that output with the ORR.

Grand Union will be seeking firm rights. This is the normal position for open access operators to reflect the commercial risks they take, and has been applied a number of times to Crosscountry's sister company Grand Central. The work being carried out by Network Rail at IPG is to address the issue of congested infrastructure as laid down in legislation.

It is too early to detail the performance arrangements that will be in place. This will be impacted by the eventual maintenance and stabling strategy which cannot be finalised until a timetable is produced. However, and performance strategy must be to the satisfaction of Network Rail.

I hope the response will enable Crosscountry to now support the application

Regards

Managing Director

Grand Union Trains Ltd

Riverside Lodge

Naburn Lane

Fulford

York

From: CrossCountry
Sent: 13 July 2021 15:23
To: GUT – Network Rail
Cc:
Subject: FW: Industry Consultation - Grand Union Trains, Section 17 Application, London Euston-Stirling

OFFICIAL

Hi

Please find attached the CrossCountry response to the Stirling industry consultation.

Kind regards,



Customer Manager (Aspirant Open Access)
System Operator

From: CrossCountry
Sent: 13 July 2021 14:52
To: Network Rail
Cc:
Subject: RE: Industry Consultation - Grand Union Trains, Section 17 Application, London Euston-Stirling

Good Afternoon

Hope you are well.

Please see the attached response on behalf of CrossCountry Trains.

Kind regards,

Track Access Specialist
CrossCountry

Address: 5th Floor, Cannon House, 18 The Priory Queensway, Birmingham, B4 6BS



From: networkrail.co.uk

Sent: 18 June 2021 15:19

To: Rail Industry consultees (emails redacted)

Subject: Industry Consultation - Grand Union Trains, Section 17 Application, London Euston-Stirling

Importance: High

OFFICIAL

Dear All,

Industry Consultation - Grand Union Trains, Section 17 Application, London Euston-Stirling

Grand Union Trains intend to submit to the ORR an updated application under Section 17 of the Railways Act 1993 for a new Track Access Contract (Passenger Services). In line with the Industry Code of Practice for Track Access Application Consultations, Grand Union Trains requested Network Rail to conduct the industry consultation and we are therefore consulting you on the proposed agreement.

The proposed Track Access Contract (Passenger Services) outlines the Grand Union Trains plan to provide four return services per day between Stirling and London Euston from December 2022. Services would be calling at Larbert, Greenfaulds, Whifflet, Motherwell, Lockerbie, Carlisle, Preston, Crewe, Nuneaton and Milton Keynes. The requested length of the Track Access Contract is 10 years.

Please see the attached Form P and draft Track Access Contract (Passenger Services) documents. The documentation will be published shortly on our [website](#) in the *Current Track Access Consultations* folder.

Should you wish to respond to the above Section 17 application, please send your response to [redacted] no later than **Sunday 18 July 2021** – your letter will be copied to Grand Union Trains and the ORR.

If you are no longer the appropriate person to receive industrial consultations on behalf of your organisation, I would be grateful if you could please supply the correct contact details so that we may update our distribution list.

Kind regards,



Customer Manager (Aspirant Open Access)
System Operator



TransPennine Express
7th Floor
Bridgewater House
60 Whitworth Street
Manchester

Gianmaria Cutrupi
Customer Manager (Aspirant Open Access)
Network Rail System Operator

cc. Helen Bold, TPE
Rob Neep, NR Customer Account Manager

By Email only

Network Rail reference:

14/07/21

Dear Gianmaria,

With reference to the Industry Consultation issued by Network Rail on 18/06/21 relating to the Section 17 Track Access proposal for Grand Union Trains to run services between London Euston-Stirling, please find attached the response in behalf of TransPennine Express (TPE).

Unfortunately, TPE is not in a position to support this application. We noted that:

“Grand Union is proposing a new service between Stirling and London Euston making use of the Scottish Central line which avoids both Glasgow and Edinburgh. Cascaded Mark4 sets from the East Coast Main Line will be used. Trains will be hauled by the innovative new build Class 93 Tri-mode locomotive being introduced into the UK by Rail Operations Group. Services are planned to operate every 3 hours or so with the first up train leaving Stirling at about 05 15 and the first down train leaving Euston around 0730. Last up train would be around 15 15 and last down train around 17 30. Services would operate 7 days a week with a slightly reduced service on Sunday mornings”.

In the context of this, we are unable to support this application until:

1. A fully compliant WCML timetable has been developed.
2. A full performance modelling and impact assessment has been undertaken.
3. An understanding of the stopping patterns north of Crewe and any impact this has on TPE services with existing Firm and Contingent Access rights is provided.
4. What work has been done to demonstrate that this is not primarily abstractive Access proposal?
5. The proposal appears to conclude that there is no capacity at the south end of the route until HS2 is complete, but once HS2 is complete there is no capacity at the north end of the route. Please can this be clarified?
6. We need to fully understand if there is space/capability at Polmadie to maintain sets of coaching stock and locos? We note current usage levels by both Avanti and TPE mean that very little, if any, capacity exists.
7. TPE notes the Network Rail findings in relation to this service proposal, but for clarity we reiterate what Network rail found in their study:

What we found?

- *Implementing the Grand Union paths has required flexing of timetabled services in all cases, and further analysis would be required for the paths to be fully Timetable Planning Rule (TPR) compliant.*
- *Grand Union services departing early or arriving late at Stirling conflict with Engineering Access Statement (EAS) Section 4 possessions. This applies to the first up path and last down path.*
- *Route clearance is not currently available for the whole of the Preston to Stirling route with the proposed rolling stock.*
- *Selected locations have been analysed for performance, in some of these locations existing services in the timetable run late. This could have an impact on the proposed Grand Union services.*
- *Empty Coaching Stock (ECS) moves have been assumed between Stirling and Polmadie.*

These findings emphasise our concerns with this proposal and underpin why TPE cannot support this proposal until all issue are resolved. TPE is also particularly concerned that many services may require flexing and the impact that this may have on TPE services at Glasgow Central but also within the Manchester area and access to Manchester Airport.

We look forward to your and Grand Union Trains response on these issues.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Chris Hassall', with a stylized flourish at the end.

**Chris Hassall,
Head of Commercial Contracts,
TransPennine Express**

Appendix 1: Network Rail response to TPE interim queries

From: Ross Ashton
Sent: 02 April 2021 07:43 AM
To: Chris Hassall ,Nichol Susan
Cc: Hannah Lomas
Subject: RE: TRU W1 / W2A - TPE Interim response

Good Morning Chris,

As promised, please find additional information in support of the current W1/2A network change consultation. I remain available to discuss further as required to enable your support by 06th April.

- Regarding your point #1 below – You will be aware that the removal of Stalybridge tunnel works from this iteration of the network change is to an extent concerned with your sentiments below, i.e. making efficient use of access and avoiding abortive work. While the final system direction from DfT, and detailed planning will be required to define access requirements, the intent of course will be to minimise disruption and cost.
- Regarding your point #2 below- I am aware that there is interest in the imminent Timetable study and am keenly aware of the influence this may have on the current network change discussions. However, while it has not yet been made available to me, the author has committed to updating me early next week, understanding its significance in our discussions.
- Regarding your point #3 below, The plans for APCO locations to support W1/2A EIS continue to be developed. TPE is actively involved in the APCO working group and so has first-hand access to the latest information. In support of establishing W1/2A network change however, we can offer a commitment that efforts will continue to optimise the APCO siting on W1 MVL footprint in order to safely maximise the length of OLE available for use by bi-mode traffic. Regarding the SAJ lines, it is recognised that APCO for SAJ / Guide Bridge has not progressed to the same extent as MVL. This is because NR APCO standards are not yet established and the project is required to work to GWEP rulesets – any deviation from these would require feasibility study and risk assessment. It is known that the SAJ conditions do not comply with the GWEP rulesets, and so the starting point (current position) is that APCO is not immediately feasible. However, application of the risk assessed approach (per MVL) is expected to allow safe deviation from GWEP rulesets, thus enabling and optimising APCO on SAJ, as it has been on MVL to derive the maximum benefit from the OLE during the interim discontinuous electrification state.
- The intent for APCO on both MVL and SAJ lines will be to commission APCO functionality to align with EIS of the OLE on projects W1 & W2A, subject to feasibility assessment and detailed programming considerations.
- Regarding Susan's query during our recent working session, I am pleased to advise the following regarding Stalybridge existing and proposed speeds (from both Manchester stations) to and from all Stalybridge platforms:

Existing (mph)	Proposed (mph)
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	Down	Up	Down	Up
Man Vic - P5	25	25	50	50
Man Vic - P4	35	25	50	50
Man Vic - P3	25	25	30	50
Man Vic - P2	25	25	30	30
Man Vic - P1	25	25	30	30
Man Pic - P5	-	-	-	-
Man Pic - P4	50	-	50	-
Man Pic - P3	25	50	30	50
Man Pic - P2	25	25	30	30
Man Pic - P1	25	50	30	50

N.B. Speeds through and to the immediate East of Stalybridge Station will remain as existing.

As you are aware, TRU is a complex programme of works which necessitates a staged and incremental approach. Individual components ready for early entry into service (e.g. W1) do not necessarily provide the full level of benefits during the interim state. That is, the full range of mooted benefits might not be realisable until final comprehensive TRU end-to-end system commissioning. But these smaller steps are absolutely necessary in moving towards that. In this regard, a collaborative approach is invited from our operator colleagues in supporting us toward this end goal.

Regards,

Ross

Ross Ashton | Senior Sponsor (WoL)
 Transpennine Route Upgrade
 Square One, Travis Street, Manchester, M1 2NY

From: eastwestrail.co.uk

Sent: 15 July 2021 14:24

To: networkrail.co.uk

Subject: Industry Consultation - Grand Union Trains, Section 17 Application, London Euston-Stirling:
East West Rail Response

Good afternoon,

Thank you for affording East West Railway Company (EWR Co) the opportunity to comment on the above Industry Consultation.

Background on EWR

The East West Railway Company was set up in 2018 by the Secretary of State for Transport to promote a major shift in the culture of the rail industry. Our objectives are to optimise and outperform the business case, and to set a new benchmark in customer service.

The strategic case is based on how the EWR meets government priorities for transport (set out in its transport Investment Strategy) by facilitating economic growth, new housing and employment in the Oxford to Cambridge Arc through the provision of improved rail connectivity, a position which is supported by the National Infrastructure Commission in their report of November 2017.

When complete, EWR will provide a direct rail link between Oxford and Cambridge and join up key towns and cities across the corridor.

The programme is being developed and delivered in phases:

- The current EWR 2 reinstates the infrastructure between Bletchley and Gavray Junction (known as EWR phase 2) with the intention for two trains an hour between Oxford and Milton Keynes to be introduced in December 2024.

Work has been ongoing with the Network Rail system operator to develop the Concept Train Plan (CTP) for the services between Oxford and Milton Keynes to test the capacity and ability for services to be introduced.

As this consultation, noted above includes services which would run on the southern part of the West Coast, that potentially impacts on the capacity between Bletchley and Milton Keynes, which as we outline above EWR services are planning to use, we recognise that the situation referred to in the ORR letter dated 21/10/20 where they outlined their impacts on performance and outlined their planned approach for considering several operators' applications to run additional services on the West Coast Mainline (WCML).

In this letter they asked Network Rail to conduct a capacity assessment to inform their decision making on the applications. This assessment was published on their website in March 2020. Network Rail concluded "there is no available capacity without significantly impacting performance and causing a reduction in timetable resilience". As a result of this conclusion, Network Rail launched an Industry Planning Group (IPG) with WCML operators and applicants to establish what additional capacity could be delivered by a recast of the WCML timetable, therefore EWR would need to understand more details as to the work being undertaken to assess capacity on the WCML and how that would interface with the Concept train being developed.

Regards

Operational Contracts Executive | East West Railway Company

Gianmaria Cutrupi
Customer Manager (Aspirant Open
Access),
System Operator



AVANTI
WEST COAST

Avanti West Coast
Ground Floor
Victoria Square House
Victoria Square
Birmingham
B2 4DN

15th July 2021

Dear Gianmaria,

**First Trenitalia West Coast Rail Limited (FTWCRL) Response to Proposed Track Access Contract:
Section 17 Application – Grand Union Trains – London Euston-Stirling**

Context

With reference to the above Section 17 Application issued on 18 June 2021 in relation to the proposed running of open access services between London Euston and Stirling by Grand Union Trains (GUT). This letter constitutes the formal response of FTWCRL, representing Avanti West Coast (AWC) and West Coast Partnership Development (WCPD).

FTWCRL has assessed the GUT proposal and does not support this application. This is on the basis that the proposal is primarily abstractive and therefore delivers poor taxpayer value for money in the context of Covid-19 recovery; and strategic development of the the WCML timetable to target emerging demand. Further, the services cannot be robustly accommodated on the WCML without detrimental performance impact, and feature unproven traction and rolling stock.

The ORR received an application in August 2019 from GUT to operate services between London Euston and Stirling from May 2021, formed of Class 91 + Mk4 rolling stock. This application was revised and resubmitted by GUT with a commencement date of December 2022 and revised Class 93 + Mk4 rolling stock. The proposed stopping pattern of the London Euston to Stirling service would see calls at Milton Keynes, Nuneaton, Crewe, Preston, Carlisle, Lockerbie, Motherwell, Whifflet, Greenfaulds and Larbert. These services would run four times a day in each direction for a length of 10 years (to December 2032).

Since 2020 AWC has been working collaboratively with Network Rail, GUT, and other Operators to access capacity on WCML as part of the ongoing IPG workstream and in relation to WCML North capacity. Led by our Shadow Operator team within WCPD, we are also contributing to the development of the HS2 Train Service Specification (TSS).

Value for Money

FTWCRL previously undertook a detailed assessment of the GUT proposal in response to a request by ORR in December 2019 to inform implementation of the Economic Equilibrium Test (EET).

Here, the GUT proposal was assessed to be primarily abstractive, as set out in our response to ORR. Once further abstraction through pricing policies was considered the GUT proposal was forecast to have a net negative effect on industry revenue. Reflecting the revised application and associated documentation, FTWCRL has revised the analysis for weekdays, based on pre-Covid-19 revenue for comparison. This indicates further abstraction from the industry.

It is still the case that the newly connected locations - Stirling, Larbert, Greenfaulds and Whifflet - will not drive incremental revenue, but will re-direct revenue from Glasgow Central and therefore be highly abstractive. The application will also re-direct revenue from Motherwell, which FTWCRL is seeking to develop as a major transport hub following the provision of additional calls in the December 2020 timetable (across 96 services per week). These implications add an additional unquantified risk of abstraction from the industry.

Government has provided significant financial support to the rail industry during the pandemic at a level that is not sustainable. In reflection of this, our plans seek to prioritise and balance efficiency alongside Levelling Up, Union Connectivity and the drive towards Net Zero. As demand remains suppressed, and we re-build our timetable encourage customers to return, the impact on the industry farebox and therefore taxpayer of the proposed GUT services is likely to be exacerbated. On this basis the application will further constrain the long-term revenue growth capability of the WCML.

Capacity

As set out by Network Rail, WCML South has been declared 'Congested Infrastructure', and timetabling work undertaken under the IPG has shown that spare capacity for all operators is at a premium on WCML. FTWCRL services have firm rights until December 2022. As we continue to adapt our timetable post Covid reflective of customer behaviour, the 9tph standard hour fast line pattern on the WCML (with additional peaktime services) has been in place since the December 2008. The introduction of additional Blackpool services by Virgin Trains from May 2018 increased the quantum to 10tph south of Rugby in some hours.

As the WCML has become busier, flex has been increasingly applied to long distance services to mitigate timetable conflicts. Particularly as we recover from the pandemic, intercity journey time is extremely sensitive as a driver of demand and competitiveness for UK Rail and is intrinsically linked to the attractiveness of rail travel over car use and air.

FTWCRL's 'TSR3', specified as part of its Franchise Agreement is designed to strengthen connectivity and includes the introduction of a second train per hour to and from Liverpool on weekdays and Saturdays. These plans make use of new-build trains as part of a £350m contract with Hitachi Rail, and features as a culmination of projects underpinned by the December 2022 timetable change.

We continue to work with Network Rail and other operators under the IPG framework to develop a December 2022 Concept Train Plan to robustly deliver this new connectivity. Collective work so far has indicated, as referenced in Network Rail's 12 February 2020 feasibility report, that a minor re-cast on WCML South can unlock the required additional fast line path for the second hourly Liverpool service, within a framework of 11 Fast Line paths an hour.

Performance work is still to be undertaken by Network Rail to determine the scale of the impact on route performance, of 11 Fast line paths an hour on WCML South. Network Rail is finalising a plan to assess capacity and performance by November 2021. This includes WCML South as well as areas outside the IPG scope, including Euxton Junction to Stirling.

As part of this work, the mix of passenger and freight traffic between Crewe, Preston and Scotland in requires detailed evaluation. The complex crossing movements and flat junctions at Crewe in particular constrain capacity and have limited our ability to add additional Crewe calls in FTWCRL services. We do not believe it is realistic to assume that a Crewe stop can be added to Grand Union services until infrastructure enhancement schemes are delivered. The two track sections north of Preston already have a mix of service types, including freight and local services for short distances. An assessment of the proposed timings of GUT services north of Preston by Network Rail against the May 2020 timetable has shown that none of the proposed paths were free from timetable conflicts. With no plans for any infrastructure enhancement and limited capacity available for additional Long-Distance High-Speed services on this section, the proposed services will limit the ability to support future growth.

From May 2019, it should be noted that platforms 17 and 18 at London Euston were taken out of use as part of the HS2 project. This reduced the number of platforms available for passenger services. As a result, intensive platform re-occupation and tighter turnarounds were required from this date, and Euston's ability to absorb network delay was reduced. It is also expected that platforms 15 and 16 at Euston will be taken out of use temporarily as part of the HS2 project. HS2 Materials by Rail (MBR) trains to and from Euston, whilst not expected to operate before Autumn 2022, serve as a further capacity constraint demonstrated by the requirement for flex to FTWCRL services to accommodate them conflict-free.

It is important the further capacity and performance assessment exercise is completed in the above timescales to enable sufficient time for the industry to plan future timetables from December 2022 and beyond robustly and with certainty.

Based on the collaborative cross-industry timetabling analysis work that has been completed, network capacity constraints at the South and North of the WCML demonstrate proven capacity does not exist for the proposed GUT paths between Euston and Stirling. It is therefore the view of FTWCRL that the capacity to introduce the further services proposed by GUT does not exist and any efforts to introduce such services would be significantly detrimental to existing and planned operations as well as the railway's ability to provide the levels of service that its customers expect. These services will also constrain FTWCRL's ability to respond flexibly to increased spikes in demand. Careful consideration should be made moving forward to ensure that the joint efforts being made across the industry are proactive in collectively rebuilding patronage in the wake of Covid-19 and in anticipation of the introduction of HS2 over the next decade.

Performance and Rolling Stock

FTWCRL is concerned by the impact the proposal will have on operational performance on the North West & Central and Scotland Regions, as the industry adapts and re-builds the WCML timetable post Covid.

Cognisant of the capacity and performance analysis referenced above, we note that increased and changed service patterns, when not robustly planned and delivered, have a significant negative impact on WCML performance. This was seen following the structural timetable change to WMT services in May 2019. Performance on the WCML deteriorated significantly following that timetable change; there was an increased spread of operator-on-operator reactionary delay across the route, and a consequential inability to recover from perturbation. As service quantum reduced through Covid-19, operational performance improved. The opportunity as the industry recovers, is to improve performance further. Performance modelling and resilience is a key element of the work of the IPG, as it develops the proposition for December 2022.

GUT proposes to use Class 93 tri-mode locomotives and Mk4 rolling stock trainsets. The Class 93 will be a new and unique design and could import additional reliability risk. The Mk4 trainsets are over 30 years old and require attention and maintenance by experienced staff. Noting the locomotives will be new to UK rail, and the Mk4 trainsets have not yet been cleared in totality on WCML, key concerns include gauging and clearance of the proposed traction over the entire route geography, including the Platform/Train interface of

Mk4 stock, Class 93 compatibility with the different electrification systems in use across the WCML and the power draw on the WCML electrification system.

FTWCRL also notes the GUT application contained limited information on the maintenance plans for the proposed small fleet of Class 93+Mk 4 rolling stock, other than to refer to proposed maintenance in Scotland. It is therefore difficult to establish how GUT intends to respond to faults or failures that may occur at the busy south end of WCML, nor how it intends to deal with the wider substantial rolling stock issues.

By comparison, the multiple units operated by FTWCRL, including the existing Pendolino and Voyager fleets and planned new-built Hitachi fleet, have superior acceleration and braking characteristics and can take advantage of both Multiple Unit and Enhanced Permissible Speeds, which enable improved recovery from delays, and provide a capacity benefit. FTWCRL's level of fleet availability also enables 'stepping up' of sets to resource services as required based on demand.

Conclusion

Following our assessment of the revised GUT application, FTWCRL does not support the application as:

- The application is primarily abstractive from UK Rail industry farebox revenue, and non-generative when forecast abstraction from FTWCRL through pricing is considered.
- The application represents poor taxpayer value for money in the context of Covid-19 recovery; and strategic development of the WCML timetable to target emerging demand, including HS2 Train Service Specification.
- The proposed services cannot be proven to be robustly accommodated on the WCML alongside other existing and planned services.
- The proposed services will drive increased performance risk through uplifting reactionary delay on a congested network, and see introduction of unproven rolling stock for this route.

As December 2022 industry timetable development progresses, FTWCRL is committed to work jointly with Network Rail and other operators to ensure all plans reach the requisite level of maturity to ensure our service enhancements can be delivered robustly and reflect customer needs. This is fundamental to prioritising the December 2022 timetable as a sustainable, value-for-money, basis on which to re-build UK Rail patronage and develop future strategic train service aspirations over the next decade, looking forward to HS2.

Please get in touch with any questions, or if you require any further information.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Alex Drewery', with a long, sweeping horizontal stroke at the end.

Alex Drewery
Commercial Operations Compensation Analyst

Gianmaria Cutrupi
Customer Manager (Aspirant Open Access)
System Operator
Network Rail

Northern Trains Limited
4th Floor
Northern House
7-9 Rougier St
York
YO1 6HZ

(By email only)

16th July 2021

Dear Gianmaria,

NTL response to Grand Union Trains, Section 17 Application, London Euston-Stirling Industry Consultation

Thank you for giving Northern Trains Limited (NTL) the opportunity to respond to your consultation regarding the Section 17 Application by Grand Union Trains, which was issued on 18th June 2021. I am responding on behalf of NTL.

NTL do not believe that there is sufficient information contained within the application to enable us to assess the impact of the additional services to our business north of Crewe. We note that a fully compliant West Coast Main Line (WCML) timetable has yet to be developed. NTL are unable to support this application without visibility of the proposed timetable.

We also note that a full performance modelling has not been undertaken. NTL require visibility of the performance modelling to be able to assess any potential risk to NTL services that interact with the WCML.

There has been historic OLE issues around Preston since the introduction of class 331s, particularly when class 92s have been passing through which operate Caledonian Sleeper services. Although these issues appear to have been resolved, we are concerned that further strain placed upon the OLE by the increased demand from the class 93's could affect NTL services. NTL requires visibility of the outputs of power supply modelling.

Given these concerns, NTL are unable to support the application in its current form. In summary, NTL, require visibility of the proposed timetable, the results from performance modelling and the outputs from power supply modelling.

I look forward to hearing back from you, however please do not hesitate to contact me if you require any further information in the meantime.

Yours Sincerely



Alex Bateman
Track Access Manager



2 Piccadilly Place
Manchester M1 3BG

0161 244 1000
www.tfgm.com

Ian Yeowart
Managing Director
Grand Union Trains
Riverside Lodge, Naburn Lane, Fulford
York
YO19 4RB

16th July 2021

Dear Ian,

Grand Union Trains, Section 17 Application, London Euston-Stirling

Thank you for offering the opportunity to comment on this New Track Access application via the email sent by Gianmaria Cutrupi on 18 June 2021.

Improving public transport connectivity and making travel easier are key objectives of Transport for Greater Manchester (TfGM), particularly as we look towards the city-region's recovery in light of the COVID-19 pandemic. Therefore, these proposals to run four return services from Stirling to London Euston from Monday to Saturday with a slightly reduced service on Sunday mornings are received with interest. We note that the proposals do not include calls at any stations in the TfGM area, namely Wigan North Western.

While the connection at Preston will offer passengers in Greater Manchester greater connectivity to the central belt of Scotland, TfGM has concerns over how the initiation of these services may affect the performance and punctuality of existing services on the West Coast Mainline. The proposed services could particularly impact current trains to and from Manchester Piccadilly and Anglo-Scottish services between London Euston and Glasgow/Edinburgh and Northern services between Manchester Airport and Barrow/Windermere via Wigan North Western.

Considering the evidence outlined above, Transport for Greater Manchester supports and endorses these Track Access Amendments on the condition that they will not negatively impact existing connectivity, performance and reliability of existing services to and from Manchester Piccadilly and through Wigan North Western, or any future services to serve a new station at Golborne. We would welcome any available evidence that can be provided as reassurance for the future reliability of these services.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'C. Whittam', with a long horizontal stroke extending to the right.

Caroline Whittam
Head of Rail Services

Grand Union

Alex Bateman
Track Access Manager
Northern Trains Limited
4th Floor, Northern House
7-9 Rougier Street
YORK
YO1 6HZ

19 July 2021

Dear Alex,

Grand Union Trains S17 consultation – Stirling services

Thank you for your response to the above consultation although it is unclear why Northern has done a complete about face from its initial consultation response in December 2019 where it was supportive of the application. Apart from traction changes and improvements in the passenger environment - both positives - it is not clear why the position has moved, particularly as the capacity position has been addressed and Grand Union is not planning to compete on any flows operated by Northern.

I note your various comments regarding performance etc. and Grand Union has been patient in working with the IPG to deliver a suitable timetable that also addresses some of the issues raised by Network Rail's declaration of congested infrastructure further south. It will be the output from this work that will eventually help the ORR to make its decision.

GRAND UNION TRAINS LIMITED

Riverside Lodge, Fulford, YORK, YO19 4RB -
Registered Office: Fulford Lodge, 1 Heslington Lane, Fulford, YORK, YO10 4HW -
A Company registered in England & Wales No: 11408012 -
www.granduniontrains.com

Grand Union

It remains disappointing that operators continually oppose new services, particularly so in this instance where Grand Union would be providing a potential new market to Northern, a fact recognised in Northern's previous response.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ian Yeowart', with a stylized flourish at the end.

Ian Yeowart

GRAND UNION TRAINS LIMITED

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Grand Union

Chris Hassall
Head of Commercial Contracts
TransPennine Express
7th Floor
Bridgewater House
60 Whitworth Street
MANCHESTER

21 July 2021

Dear Chris,

Grand Union Trains S17 consultation – Stirling services

Thank you for your response to the above consultation.

As you will be aware Grand Union has been fully involved with the WCML IPG, and the outputs from that timetable work will help inform the ORR regarding capacity. Grand Union's work so far has been to confirm capacity is available, operating north of Preston off the now unused Grand Central Blackpool paths.

The stopping patterns north of Crewe are as outlined in the application, and it is worth recalling that a detailed revenue evaluation undertaken by TransPennine Express¹ regarding the original application stated: *"The impacts on TPE therefore appear to be reasonably small with the abstracted revenue representing c.0.13%-0.16% of total TPE revenue"*.

¹ TPE letter to ORR 14 February 2020 re. the Economic Equilibrium test.

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Grand Union

Unlike First Group's East Coast Trains service, Grand Union will be operating directly into the central belt of Scotland, not operating on the main flow between Edinburgh and London, offering a number of new direct journey opportunities.

TPE will also be aware that the CMA instigated a Phase 1 investigation due to the lack of competition on a number of routes from Preston northwards operated by First Group, after which a number of consumer protections were put in place.

Grand Union's paths were developed off the unused Grand Central paths, and I am unclear why one could conclude from the application that there is no capacity at the south end pre HS2 and none at the north post HS2. Work from the IPG would indicate that there is capacity for both Grand Union's limited service as well as First Group's additional Liverpool services.

The use of a Class 93 gives significant flexibility on maintenance locations, and no firm decision has yet been made on where the sets will be maintained.

Flexing of services is a normal part of timetabling, and every operator's services get flexed at some time or other to ensure best use of capacity, which is why track access contracts now only refer to quantum.

Yours sincerely



Ian Yeowart

GRAND UNION TRAINS LIMITED

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Grand Union

Caroline Whittam
Head of Rail Services
TfGM
2 Piccadilly Place
MANCHESTER
M1 3BG

23 July 2021

Dear Caroline,

Grand Union Trains S17 consultation – Stirling services

Thank you for your response to the above consultation and your tentative support for the service introduction.

The initial timetable work we have undertaken has been based upon using the now unused Grand Central Blackpool paths and projecting them forward from Preston. No additional or new paths were sought and so the potential performance implications on that part of the route will have been evaluated as part of Grand Central's approval.

Since then, further timetabling work coming out of the WCML IPG is indicating capacity for these services alongside the additional Liverpool services proposed by Avanti. The work of the IPG is try and utilise the capacity better to improve overall performance and will help the ORR in making its decision later in the year.

Grand Union is pleased that TfGM recognises the passenger benefits that will accrue from these new services, and the stopping at Preston and Crewe is designed to offer improved links to and from the Scottish Central belt as you have identified.

GRAND UNION TRAINS LIMITED

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Grand Union

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ian Yeowart', with a stylized flourish at the end.

Ian Yeowart

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Gianmaria Cutrupi
Customer Manager (Aspirant Open
Access),
System Operator



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Victoria Square House
Victoria Square
Birmingham
B2 4DN

15th July 2021

Dear Gianmaria,

**First Trenitalia West Coast Rail Limited (FTWCRL) Response to Proposed Track Access Contract:
Section 17 Application – Grand Union Trains – London Euston-Stirling**

Context

With reference to the above Section 17 Application issued on 18 June 2021 in relation to the proposed running of open access services between London Euston and Stirling by Grand Union Trains (GUT). This letter constitutes the formal response of FTWCRL, representing Avanti West Coast (AWC) and West Coast Partnership Development (WCPD).

FTWCRL has assessed the GUT proposal and does not support this application. This is on the basis that the proposal is primarily abstractive and therefore delivers poor taxpayer value for money in the context of Covid-19 recovery; and strategic development of the the WCML timetable to target emerging demand. Further, the services cannot be robustly accommodated on the WCML without detrimental performance impact, and feature unproven traction and rolling stock.

There is a specific definition for services being ‘primarily abstractive’, and simply running a timetable through MOIRA is only the beginning of the revenue development exercise. This is a situation well known by First Group which operates open access services of its own on the ECML.

Grand Union is the operator looking at strategic development of parts of the route and will be commercially responsible for its own success or failure, whereas First Group will once again rely on the taxpayer for ‘failure’ as it has done for many years on large parts of the UK rail network.

As is made clear in the application, Grand Union is targeting returning passengers by offering a product that not only recognises the value of competition, but also recognises that, in the short to medium term at least, passengers have a different view of comfort and space than previously.

I am not aware that any performance work has been undertaken on the WCML at this stage, and it is difficult to understand how Grand Union’s limited services are identified as an issue, but Avanti’s extensive increased services are not. Either more total trains potentially impact performance or they do not, and Avanti is proposing to introduce significantly more additional trains than Grand Union. From a capacity perspective the

initial Grand Union work has now been further developed by the IPG which is suggesting that paths can be found as far as Motherwell alongside the requirements of others including Avanti's additional services. The output from that work will eventually help the ORR to reach its decision.

I would point out that Mark 4s are far from unproven, and now, to most observers, provide the most comfortable interiors of all the intercity services. In respect of the Class 93, every type of traction is new at some stage and is a derivative of the Class 88. It has dual (tri) mode capability meaning it is vastly more versatile than a Pendolino. If for any reason Class 93s have to be removed from traffic, then there are other locomotive options that could be utilised to prevent loss of the service – as recently happened to First Group on the GWML.

The ORR received an application in August 2019 from GUT to operate services between London Euston and Stirling from May 2021, formed of Class 91 + Mk4 rolling stock. This application was revised and resubmitted by GUT with a commencement date of December 2022 and revised Class 93 + Mk4 rolling stock. The proposed stopping pattern of the London Euston to Stirling service would see calls at Milton Keynes, Nuneaton, Crewe, Preston, Carlisle, Lockerbie, Motherwell, Whifflet, Greenfaulds and Larbert. These services would run four times a day in each direction for a length of 10 years (to December 2032).

It is rather surprising that Avanti has not commented on the uprated passenger accommodation proposed when it made such a fuss about its own standard premium! The fact that Grand Union's standard class interiors will be at least equal to what is offered by Avanti in First class will be a good measure of passengers views on comfort and value for money. It is worth noting that the current IEP fleet operated by First Group on the GWML has 'ironing board' seats as identified by the Secretary of State for Transport. It would be hoped that the introduction of that traction type onto the WCML would address the issue.

Since 2020 AWC has been working collaboratively with Network Rail, GUT, and other Operators to access capacity on WCML as part of the ongoing IPG workstream and in relation to WCML North capacity. Led by our Shadow Operator team within WCPD, we are also contributing to the development of the HS2 Train Service Specification (TSS).

It would appear from this response that Avanti has made a unilateral decision on the capacity and pre-determined the outcome of that work – for its own benefit.

Value for Money

FTWCRL previously undertook a detailed assessment of the GUT proposal in response to a request by ORR in December 2019 to inform implementation of the Economic Equilibrium Test (EET).

Here, the GUT proposal was assessed to be primarily abstractive, as set out in our response to ORR. Once further abstraction through pricing policies was considered the GUT proposal was forecast to have a net negative effect on industry revenue. Reflecting the revised application and associated documentation, FTWCRL has revised the analysis for weekdays, based on pre-Covid-19 revenue for comparison. This indicates further abstraction from the industry.

As Grand Union has mentioned in previous consultations elsewhere, if First Group is to have any credibility when it 'evaluates' open access that 'threatens' its monopoly position then it should undertake that evaluation using the same tools that it employs when it is seeking to introduce open access. By not doing so First Group - now the biggest operator of open access services on the network – is expecting others to believe that just because it is facing competition the measurement tools are different. Grand Union expects the ORR will easily see through this attempted sleight of hand.

It is still the case that the newly connected locations - Stirling, Larbert, Greenfaulds and Whifflet - will not drive incremental revenue, but will re-direct revenue from Glasgow Central and therefore be highly abstractive. The application will also re-direct revenue from Motherwell, which FTWCRL is seeking to develop as a major transport hub following the provision of additional calls in the December 2020 timetable (across 96 services per week). These implications add an additional unquantified risk of abstraction from the industry.

Grand Union will let the ORR determine that position and it is the same argument used elsewhere whenever new direct services are proposed. It should also be pointed out that Grand Union also sees the importance of Motherwell, with 54 weekly services planned to call.

Government has provided significant financial support to the rail industry during the pandemic at a level that is not sustainable. In reflection of this, our plans seek to prioritise and balance efficiency alongside Levelling Up, Union Connectivity and the drive towards Net Zero. As demand remains suppressed, and we re-build our timetable encourage customers to return, the impact on the industry farebox and therefore taxpayer of the proposed GUT services is likely to be exacerbated. On this basis the application will further constrain the long-term revenue growth capability of the WCML.

Which is exactly what Grand Union is looking to achieve. This time however by taking its own commercial risks, not relying on the taxpayer. Union connectivity is at the heart of the application. It is a strange situation that an industry that has been compelling passengers not to travel would now see the taxpayer at risk from limited competition that is designed to do exactly what the rail industry has so far failed to do – improve the passenger experience and encourage them back to rail.

First Group will be well aware of the growth that has been achieved on the ECML by the introduction of limited open access competition, so the suggestion that somehow this competition would ‘constrain’ the long-term revenue growth capability of the WCML is just not credible.

Capacity

As set out by Network Rail, WCML South has been declared ‘Congested Infrastructure’, and timetabling work undertaken under the IPG has shown that spare capacity for all operators is at a premium on WCML. FTWCRL services have firm rights until December 2022. As we continue to adapt our timetable post Covid reflective of customer behaviour, the 9tph standard hour fast line pattern on the WCML (with additional peaktime services) has been in place since the December 2008. The introduction of additional Blackpool services by Virgin Trains from May 2018 increased the quantum to 10tph south of Rugby in some hours.

A series of services between London and Blackpool were also approved by the ORR for Alliance (Grand Central), and it is those paths that formed the basis of the early Grand Union capacity work.

As the WCML has become busier, flex has been increasingly applied to long distance services to mitigate timetable conflicts. Particularly as we recover from the pandemic, intercity journey time is extremely sensitive as a driver of demand and competitiveness for UK Rail and is intrinsically linked to the attractiveness of rail travel over car use and air.

In this instance it appears flex has been acceptable for timetable changes where ‘franchised’ operators are concerned, but not if a new entrant seeks to enter the market! In respect of train paths Grand Union would point out the contents of the Railways (Access, Management and Licensing of Railway Undertakings) Regulations 2016, in particular 21 (3): ‘...a framework agreement must not specify any train path in detail’ and: 21(4): ‘The effect of a framework agreement must not be such as to preclude the use of the railway infrastructure subject to that framework agreement by other applicants or services’.

As has been witnessed by some work by Transport Focus, the biggest thing that would encourage people to make more train journeys would be if fares were cheaper – a situation argued positively by First Group for its

ECML Edinburgh service. One has to wonder why would First Group make that argument on the ECML where it is the new operator but argue the opposite on the WCML where it is the incumbent?

It is not just speed that drives passengers to the railway – otherwise why has Avanti slowed many of its Glasgow services? It is also quality and competition, both sadly lacking on the WCML.

FTWCRL's 'TSR3', specified as part of its Franchise Agreement is designed to strengthen connectivity and includes the introduction of a second train per hour to and from Liverpool on weekdays and Saturdays. These plans make use of new-build trains as part of a £350m contract with Hitachi Rail, and features as a culmination of projects underpinned by the December 2022 timetable change.

Strengthen connectivity where exactly? Compared to the Central belt in Scotland Liverpool is well served. Perhaps Avanti might also explain how much of that 'investment' in the £350m contract is directly being made by First Group?

We continue to work with Network Rail and other operators under the IPG framework to develop a December 2022 Concept Train Plan to robustly deliver this new connectivity. Collective work so far has indicated, as referenced in Network Rail's 12 February 2020 feasibility report, that a minor re-cast on WCML South can unlock the required additional fast line path for the second hourly Liverpool service, within a framework of 11 Fast Line paths an hour.

Grand Union is also part of the IPG and work indicates capacity is available for its limited services. As Grand Union has indicated numerous times it believes there is sufficient capacity for Avanti to operate its additional Liverpool's alongside Grand Union's limited long-distance services. If it is deemed that there isn't then it will be for the ORR, not Network Rail to determine the allocation of that capacity.

Performance work is still to be undertaken by Network Rail to determine the scale of the impact on route performance, of 11 Fast line paths an hour on WCML South. Network Rail is finalising a plan to assess capacity and performance by November 2021. This includes WCML South as well as areas outside the IPG scope, including Euxton Junction to Stirling.

As part of this work, the mix of passenger and freight traffic between Crewe, Preston and Scotland in requires detailed evaluation. The complex crossing movements and flat junctions at Crewe in particular constrain capacity and have limited our ability to add additional Crewe calls in FTWCRL services. We do not believe it is realistic to assume that a Crewe stop can be added to Grand Union services until infrastructure enhancement schemes are delivered. The two track sections north of Preston already have a mix of service types, including freight and local services for short distances. An assessment of the proposed timings of GUT services north of Preston by Network Rail against the May 2020 timetable has shown that none of the proposed paths were free from timetable conflicts. With no plans for any infrastructure enhancement and limited capacity available for additional Long-Distance High-Speed services on this section, the proposed services will limit the ability to support future growth.

The initial Grand Union work was a timetable exercise on capacity and was not to prepare a detailed timetable. This was overtaken by the IPG. What was also identified were a number of conflicts and errors that are in the current timetable and which impact on performance. A number of these, following that work, have now been addressed.

On the one hand Avanti is stating there is no capacity, then it is stating there is 'limited capacity'. It needs to make its mind up what is the position.

Grand Union of course will be providing that future growth, not only be the new services but by providing limited competition driving the market.

From May 2019, it should be noted that platforms 17 and 18 at London Euston were taken out of use as part of the HS2 project. This reduced the number of platforms available for passenger services. As a result, intensive platform re-occupation and tighter turnarounds were required from this date, and Euston's ability to absorb network delay was reduced. It is also expected that platforms 15 and 16 at Euston will be taken out of use temporarily as part of the HS2 project. HS2 Materials by Rail (MBR) trains to and from Euston, whilst not expected to operate before Autumn 2022, serve as a further capacity constraint demonstrated by the requirement for flex to FTWCRL services to accommodate them conflict-free.

The output from the IPG will determine what can be accommodated and where, and from here the ORR will make its decision.

It is important the further capacity and performance assessment exercise is completed in the above timescales to enable sufficient time for the industry to plan future timetables from December 2022 and beyond robustly and with certainty.

Based on the collaborative cross-industry timetabling analysis work that has been completed, network capacity constraints at the South and North of the WCML demonstrate proven capacity does not exist for the proposed GUT paths between Euston and Stirling. It is therefore the view of FTWCRL that the capacity to introduce the further services proposed by GUT does not exist and any efforts to introduce such services would be significantly detrimental to existing and planned operations as well as the railway's ability to provide the levels of service that its customers expect. These services will also constrain FTWCRL's ability to respond flexibly to increased spikes in demand. Careful consideration should be made moving forward to ensure that the joint efforts being made across the industry are proactive in collectively rebuilding patronage in the wake of Covid-19 and in anticipation of the introduction of HS2 over the next decade.

That is not the outcome of the analysis. Capacity was identified, and Network Rail did not undertake analysis of the south end of the route. It is however wholly irrelevant as the IPG has now overtaken that initial capacity exercise.

Performance and Rolling Stock

FTWCRL is concerned by the impact the proposal will have on operational performance on the North West & Central and Scotland Regions, as the industry adapts and re-builds the WCML timetable post Covid.

Cognisant of the capacity and performance analysis referenced above, we note that increased and changed service patterns, when not robustly planned and delivered, have a significant negative impact on WCML performance. This was seen following the structural timetable change to WMT services in May 2019. Performance on the WCML deteriorated significantly following that timetable change; there was an increased spread of operator-on-operator reactionary delay across the route, and a consequential inability to recover from perturbation. As service quantum reduced through Covid-19, operational performance improved. The opportunity as the industry recovers, is to improve performance further. Performance modelling and resilience is a key element of the work of the IPG, as it develops the proposition for December 2022.

Grand Union's paths are being developed as part of the IPG, so will, if approved, be part of a robust timetable.

GUT proposes to use Class 93 tri-mode locomotives and Mk4 rolling stock trainsets. The Class 93 will be a new and unique design and could import additional reliability risk. The Mk4 trainsets are over 30 years old and require attention and maintenance by experienced staff. Noting the locomotives will be new to UK rail, and the Mk4 trainsets have not yet been cleared in totality on WCML, key concerns include gauging and clearance of the proposed traction over the entire route geography, including the Platform/Train interface of

Mk4 stock, Class 93 compatibility with the different electrification systems in use across the WCML and the power draw on the WCML electrification system.

It is to be hoped that ALL rolling stock of whatever make or design is attended to by experienced staff.

Grand Union is aware of the requirements of route acceptance and maintenance provision which will be part of the ORR's determination.

FTWCRL also notes the GUT application contained limited information on the maintenance plans for the proposed small fleet of Class 93+Mk 4 rolling stock, other than to refer to proposed maintenance in Scotland. It is therefore difficult to establish how GUT intends to respond to faults or failures that may occur at the busy south end of WCML, nor how it intends to deal with the wider substantial rolling stock issues.

Grand Union will deal with them in the same way that other operators of small fleets, such as Hull Trains, do. The overall maintenance package has still to be determined and discussions are on-going as much will depend on the look of the final timetable.

By comparison, the multiple units operated by FTWCRL, including the existing Pendolino and Voyager fleets and planned new-built Hitachi fleet, have superior acceleration and braking characteristics and can take advantage of both Multiple Unit and Enhanced Permissible Speeds, which enable improved recovery from delays, and provide a capacity benefit. FTWCRL's level of fleet availability also enables 'stepping up' of sets to resource services as required based on demand.

It is not yet clear that Pendolino, Voyagers and Hitachi fleets will have better performance characteristics than a Class 93. The Voyager is also planned to be withdrawn in the near future. While Grand Union could not, at this time, operate at 125mph on the route, its timetable is planned at 110mph. What is clear however is that any electrical power supply problems will impact fully on the Pendolino fleet, while the Class 93 is much more flexible – like the Hitachi bi-mode IEP.

'Size' is a benefit enjoyed by most taxpayer supported franchise or concession operators. That luxury is not afforded to smaller operators but that has not prevented Hull Trains and Grand Central from flourishing and developing – while regularly topping the passenger surveys.

It should also be pointed out that on the ECML, which has seen some healthy competition for over 20 years, LNER has recently stated the existence of open access has given it an opportunity to rationalise some of its services to give better utilisation of its rolling stock – a better outcome for the taxpayer.

Conclusion

Following our assessment of the revised GUT application, FTWCRL does not support the application as:

- The application is primarily abstractive from UK Rail industry farebox revenue, and non-generative when forecast abstraction from FTWCRL through pricing is considered.
- The application represents poor taxpayer value for money in the context of Covid-19 recovery; and strategic development of the WCML timetable to target emerging demand, including HS2 Train Service Specification.
- The proposed services cannot be proven to be robustly accommodated on the WCML alongside other existing and planned services.
- The proposed services will drive increased performance risk through uplifting reactionary delay on a congested network, and see introduction of unproven rolling stock for this route.

As December 2022 industry timetable development progresses, FTWCRL is committed to work jointly with Network Rail and other operators to ensure all plans reach the requisite level of maturity to ensure our service enhancements can be delivered robustly and reflect customer needs. This is fundamental to prioritising the December 2022 timetable as a sustainable, value-for-money, basis on which to re-build UK Rail patronage and develop future strategic train service aspirations over the next decade, looking forward to HS2.

The timetabling process is for all participants, not just those currently with access rights.

Clearly First Group sees its monopoly continuing on the WCML while enjoying being a competitor on the ECML to LNER. Hard to be clear therefore on where it sits on its 'value for money' claim.

Please get in touch with any questions, or if you require any further information.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Alex Drewery', with a stylized, flowing script.

Alex Drewery
Commercial Operations Compensation Analyst



Department
for Transport

Great Minster House
33 Horseferry Road
London SW1P 4DR

16 August 2021

Gianmaria Cutrupi, Customer Manager

Dear Gianmaria,

Industry Consultation - Grand Union Trains, Section 17 Application, London Euston-Stirling

Thank you for sharing the open access industry consultation with the Department regarding Grand Union Trains Wales (GUT) current track access application. We are grateful for the extension of time granted by Network Rail in responding to the consultation.

As you are aware, the Department for Transport provided a response to both Network Rail and the ORR in regard to the previously submitted track access application from GUT in relation to services between London Euston and Stirling.

The Department has undertaken a review and update of previous detailed analysis of the revised GUT proposal. This indicates it is unlikely that the amendment in GUT's proposal will result in a change in the previous finding of the services being primarily abstractive. There are significant uncertainties that affect rail demand forecasting and abstraction analysis at the current time. This includes COVID-19 related revenue recovery uncertainty, and new rail contracts. This revised GUT proposal will likely exacerbate any revenue risk attached to the Department and/or harm the financial position of several of the incumbent train operators. The level of abstraction and consequent harm to the Department's finances will likely be made even worse if future demand is more heavily focused on off-peak services where the GUT proposal is focused. At this stage the likelihood of this is unknown but it should be flagged as a key further consideration.

Given the current high level of uncertainty of future rail demand due to COVID-19, any level of abstraction will be felt more severely by the Department given the significantly lower overall industry revenues and stretched funds available. Overall, the Department is currently operating within a more constrained budget position than previously, and this needs to be taken into consideration.

We therefore expect to ask the ORR to take account, as it did in its recent decision on the application made by GUT, the exceptional state of rail finances, when it considers the application.

As with previous track access applications, turning specifically to capacity and performance, the Government asks and expects Network Rail to ensure that it has conducted a robust examination of the operational consequences of the updated application, most particularly with regard to capacity and performance, so that a robust timetable is delivered. We are clear, in

particular about the importance of the performance implications of the applications being carefully considered, given the paramount importance of performance to passengers and the importance of building back better as services recover.

We would also like to highlight the following, which we consider important for Network Rail to consider in relation to the proposed application specifically in relation to High Speed 2 (HS2):

- There will be some significant engineering works required over the forthcoming years, including major HS2 planned blockades that will be disruptive to services on the West Coast Main Line (WCML). If the GUT track access application is successful, this service would incur significant disruptive access requests for several years. Whilst the HS2 budget includes provision for Schedule 4 payments to operators as a result of additional possessions on the WCML connected to HS2 construction, the introduction of additional services on the WCML will increase the costs of these possessions to HS2 Ltd, and therefore to the Government, which have not been accounted for.
- The Department has an indicative Train Service Specification, which does not have the proposed GUT services included. Within HS2 Phase 2a Act we are required to run a certain level of service. If the agreed level of service cannot be ran then the Department will be in breach of the act and therefore could be open to legal challenge.
- When HS2 Phase 2b arrives, Crewe is looking to increase its level of service. Although this would be after the requested 10-year contract GUT are seeking, if it is successful and is later renewed it could then hinder the Crewe plans which is a Government aspiration.
- The HS2 project has important targets to transport material to and from work sites via rail rather than road. Whilst this will be subject to standard industry processes for obtaining access, it should be noted that this application, if accepted, is likely to cause pressure on capacity. Using rail rather than road to transport material also supports the Government's commitments for decarbonisation.

In line with the above, we therefore ask and expect Network Rail to carry out a rigorous and robust assessment of this open access application on the network and the Department will be happy to provide further assistance as required to support Network Rail and ORR's consideration of this application.

Please contact me if you wish to discuss further in the meantime.

You sincerely,



Oliver Mulvey
Deputy Director

cc. Dan Moore, Director, Rail Strategy and Analysis



Department
for Transport

Great Minster House
33 Horseferry Road
London SW1P 4DR

16 August 2021

Gianmaria Cutrupi, Customer Manager
by email:

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While noting that it is a time of some uncertainty, to many in the private sector it is also seen as a time of opportunity for change and improvement. Disappointingly the DfT appears to believe that rail can only improve with limited or no competition and with directions only coming from the centre. That was not the view expressed by one of the authors of the Williams/Shapps Review, Keith Williams. In a presentation to the rail industry earlier in 2021 he said: *"..creative thinking was now critically needed around how the private sector could be incentivised to expand the industry's revenue base.."*

At a time when the DfT and government is calling for more innovation and investment from the private sector, it should be of concern that any application by new operators 'outside the system' is met with such negativity, particularly so when this service focuses on the Central Belt within Scotland, missing the major centres of Glasgow and Edinburgh. On this service group almost 60% of the point to point flows will be new and it will be a major factor in attracting passengers to the railway, levelling up, and in improving union connectivity.

Grand Union has also acknowledged the dissatisfaction felt by many about train comfort and is making a major change to the norm by introducing a standard class product that will

significantly enhance the passenger travelling experience. Grand Union also notes the current change in business habits with a redefined first class aimed at attracting those passengers back to the railway. Grand Union believes this type of 'creative thinking' is what Keith Williams is hoping to achieve. The service would also offer the industry and the ORR an opportunity to see how the differentiation between the one class new Lumo ECML service between the two major centres of London and Edinburgh plays out alongside this new service aimed at a larger variety of potential new passengers on the WCML - which includes those who might travel by air.

The current position of rail demand has seen an upsurge in numbers particularly for the leisure market at which this service is predominantly targeted. It is noted that the DfT has now focused this argument against 'off-peak' services when previously it has focused on 'peak'. The reality is that while 'peak' may be moving, the higher peak fares remain, and a concern for passengers must now be the likely shift upwards in pricing if 'peak' fares and times are to be redefined.

Given the current high level of uncertainty of future rail demand due to COVID-19, any level of abstraction will be felt more severely by the Department given the significantly lower overall industry revenues and stretched funds available. Overall, the Department is currently operating within a more constrained budget position than previously, and this needs to be taken into consideration.

The constant argument from the DfT regarding abstraction has never been evidenced by what has happened in the marketplace with previous open access services. The ORR states that abstraction reduces over time, and there is plenty of empirical evidence to show that generation is above those expected from initial modelling on new services. In its Access Policy final conclusions, the ORR has stated [2.29]: *"It is important to note that our approval of those open access services which we forecast would have generation to abstraction ratios greater than 0.3 to 1 have resulted in significant benefits to passengers. In many cases, they have led to high passenger volume growth in areas previously poorly served by direct trains to London"*.

We therefore expect to ask the ORR to take account, as it did in its recent decision on the application made by GUT, the exceptional state of rail finances, when it considers the application.

The ORR has to balance its duties to promote competition for the benefit of passengers and to have regard to the funds available to the Secretary of State. In each of the last 3 reported years the DfT has underspent its budget by significant amounts. By £2,288m in 2017/18. By £2,759m in 2018/19 and by £1,371m in 2019/20. By contrast Grand Union's forecast abstraction on this application is £16m. It would be difficult to argue that such an amount could have any impact on the funds available to the Secretary of State in such circumstances.

The state of rail finances has **always** been raised as an issue by the DfT in an attempt to persuade the ORR not to introduce competition. On this application the overall level of abstraction will be significantly less than the initial application, and less per train than expected from the new Lumo service approved in 2016. Since the rejection of Grand Union's Welsh service, rail travel has significantly picked up, particularly in the leisure market, and Grand Union's revised application seeks to help the industry build back better with a differing product, aimed at areas with poor or little connectivity to many major centres, including London, helping levelling up and improving union connectivity.

As with previous track access applications, turning specifically to capacity and performance, the Government asks and expects Network Rail to ensure that it has conducted a robust examination of the operational consequences of the updated application, most particularly with regard to capacity and performance, so that a robust timetable is delivered. We are clear, in

particular about the importance of the performance implications of the applications being carefully considered, given the paramount importance of performance to passengers and the importance of building back better as services recover.

Grand Union has been in dialogue with Network Rail for almost 2 years and has accepted the delays inherent in the process while Network Rail undertakes a full review of the route as required by the ORR in light of its declaration of congested infrastructure. To this end Grand Union has been fully involved in the IPG which has now become an ESG for the December 2022 timetable. Robust and collaborative industry work is taking place to develop a compliant timetable to include all the proposed new services. This is despite the fact that Grand Union's initial proposal was to use the now redundant Alliance (Grand Central) Blackpool paths that were already in the previous production timetable.

We would also like to highlight the following, which we consider important for Network Rail to consider in relation to the proposed application specifically in relation to High Speed 2 (HS2):

- There will be some significant engineering works required over the forthcoming years, including major HS2 planned blockades that will be disruptive to services on the West Coast Main Line (WCML). If the GUT track access application is successful, this service would incur significant disruptive access requests for several years. Whilst the HS2 budget includes provision for Schedule 4 payments to operators as a result of additional possessions on the WCML connected to HS2 construction, the introduction of additional services on the WCML will increase the costs of these possessions to HS2 Ltd, and therefore to the Government, which have not been accounted for.

The issue was already addressed as Alliance (Grand Central) had been approved so any impact should already have been in any HS2 budget. Grand Union's application at this stage is for less services than that approval so there should be a budgetary benefit to HS2.

- The Department has an indicative Train Service Specification, which does not have the proposed GUT services included. Within HS2 Phase 2a Act we are required to run a certain level of service. If the agreed level of service cannot be run then the Department will be in breach of the act and therefore could be open to legal challenge.

Grand Union's paths are included in the timetable being developed for the ESG. They are also 'one less' than was in the previous production timetable. HS2 is also significantly delayed, with current debate about its 'eastern leg'. What HS2 will look like is still far from clear at this stage, and there is nothing to suggest that HS2 in effect would take up the entirety of any available capacity going forward.

- When HS2 Phase 2b arrives, Crewe is looking to increase its level of service. Although this would be after the requested 10-year contract GUT are seeking, if it is successful and is later renewed it could then hinder the Crewe plans which is a Government aspiration.

If Grand Union is successful with its application, then at contract renewal/extension the ORR would be in a position to consider any implications at the time in determining that renewal/extension. It should be noted that the Grand Union application will offer Crewe a significant number of new direct destinations.

- The HS2 project has important targets to transport material to and from work sites via rail rather than road. Whilst this will be subject to standard industry processes for obtaining access, it should be noted that this application, if accepted, is likely to cause pressure on capacity. Using rail rather than road to transport material also supports the Government's commitments for decarbonisation.

This is a very limited application, looking to utilise capacity approved previously, with no additional paths sought. Alongside this Avanti is seeking to introduce a more regular additional service to Liverpool which is seeking additional access over and above what had been utilised in the previous production timetable.

Grand Union's application is also looking to utilise the current infrastructure with no disruption to the network or to the many people who will be impacted for many years by the HS2 build. As a result, Grand Union will not be adding to the significant carbon footprint that will be made by HS2 during the many years of heavy construction work to be undertaken.

The Times newspaper reported on 12 February 2020 that HS2 accepted the fact that HS2 would not be 'carbon neutral' for over 120 years.

In line with the above, we therefore ask and expect Network Rail to carry out a rigorous and robust assessment of this open access application on the network and the Department will be happy to provide further assistance as required to support Network Rail and ORR's consideration of this application.

Please contact me if you wish to discuss further in the meantime.
You sincerely,



Oliver Mulvey
Deputy Director

cc. Dan Moore, Director, Rail Strategy and Analysis