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BY EMAIL ONLY

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28th November 2022

Dear Emyl

This letter provides a response to your letters of 4th November 2022, regarding the applications for directions for:

- a proposed track access contract(TAC) between Network Rail Infrastructure Limited (Network Rail) and Grand Union Trains Limited (GUT);
- a proposed second supplemental to the track access contract between Network Rail Infrastructure Limited (Network Rail) and First Trenitalia West Coast Limited (Avanti).

The original applications relating to the above requests were first submitted to the ORR in 2019. These updated applications have been submitted at the ORR's request and are largely the same as the original applications, with some amendments.

Network Rail has previously provided representations to the ORR dated 20th May 27th May, 15th July, 17th August and 14th November 2022, concerning the performance and power capacity analysis completed so far. Whilst there have been some changes to the applications, such as start and expiry dates and rolling stock, the detail of the access rights in terms of quantum and routing remains the same. We refer the ORR to these submissions to inform their view on the updated applications.

Network Rail's position remains that we will provide our final representations by 31st December, as recently informed to the ORR, detailing if and when we could support the requested access rights from. Power supply modelling of the North West, together with the performance analysis at Euston is ongoing and the outputs will inform our final our final representations.

AWC 2nd Supplemental agreement:

Within the Form P Avanti have stated “These additional services reflect the wishes of the Secretary of State on award of the West Coast Franchise (TSR3)”. Network Rail would ask Avanti to confirm that this remains the situation.

Avanti have applied for access rights for the duration of their track access contract which is due to expire December 2030. Network Rail is pleased to have previously reached agreement with Avanti concerning the expiry date and has no further representations to make on this matter.

GUT new track access contract:

Within this updated application GUT has revised both the commencement date to May 2025 and the expiry to May 2035. We appreciate the need to balance the length of contract with the investment they are seeking to make however Network Rail believes this application will interact with the DfT’s proposals, developed with West Coast Partnership Development (WCPD), for HS2 operation if this application is progressed.

A captive HS2 service between Old Oak Common and Curzon Street (Birmingham) is planned to commence in June 2030. The current plan is that HS2 services will then begin running on the existing WCML - to a combination of Manchester, Glasgow and Liverpool - from December 2030, joining the WCML at Handsacre Junction (near Lichfield). Some existing services will be withdrawn at this point. As additional sections of the HS2 route are commissioned throughout the early 2030s, more HS2 services will be introduced, culminating in Phase 2a completion by the mid-2030s. An indicative TSS for this end-state has been endorsed by DfT and the industry, but interim solutions between 2030 and the end state are yet to be finalised, decisions about which will be based on ongoing work between HS2 Ltd and WCPD. We therefore request an expiry date of December 2030 in line with Avanti’s TAC if this application is progressed.

Investment:

Whilst GUT has broadly outlined within Form P their intentions to invest in enhancement schemes primarily focusing on stations and depots/stabling, we note the TAC proposed by Grand Union does not include any investment conditions, which we might expect to accompany an Open Access application seeking rights for a longer duration than five years. We would be interested in understanding the specific investments being proposed by Grand Union, the timescales involved and funding requirements before we are able to comment further.

Rolling stock:

GUT’s latest application states “Grand Union will be using new build bi-mode rolling stock that will be route cleared. Discussions with manufacturers and suppliers are on-going” and as such have not yet specified a model. Therefore Network Rail is not able to make any representations specific to the rolling stock. Route Clearance processes including gauge compatibility with the network may need to be completed dependent on the rolling stock chosen. We would require GUT to engage with us on commissioning works to deliver the required capability and to undertake the Route Clearance processes.

In addition, any change in rolling stock strategy represents a change to the assumptions we have been working to. Any rolling stock will be required to meet or outperform the performance of the rolling stock previously modelled. If there are any differences, then capacity analysis work completed to date will need to be revisited and further work will be required to assess the impact on capacity, both from a power supply and timetable perspective.

Operational concerns:

If progressing this application, we would require further detail relating to non-passenger movements, particularly relating to stabling and servicing requirements. We appreciate stabling and servicing arrangements would depend on the manufacturer chosen by GUT. However, to date GUT have not been able to articulate specific requirements.

Network Rail understands that it may be frustrating that we have not yet reached a final conclusion but believes that it is important to wait until the end of the year to ensure all outstanding concerns have been addressed. It is obviously very important that all safety and passenger experience have been considered before making its final conclusions.

Yours sincerely,

Michelle Woolmore
Head of Franchise Management, NW&C