

Chris Wilson
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10th October 2017

Dear Chris,

London Midland proposed 5th Supplemental Agreement – Kenilworth new service

Many thanks for your letter of 10th August 2017 in relation to London Midland's application for access rights for a new service between Coventry and Leamington Spa, to serve the new station at Kenilworth. You raise some challenges and concerns which I hope to address here.

Firstly I would have to strongly disagree with your statement about the perceived lack of stakeholder engagement, as this assertion has also been made by your colleague Lindsey Durham (by e-mail correspondence) who previously stated that Freightliner had not attended any meetings to discuss this project. However this is untrue, and I would like to draw your attention to Freightliner having been consulted as far back as 2015, when Freightliner were first invited by SLC Rail to a 'Kenilworth Station FOC Network Change Workshop' on 27th March 2015 (e-mail from Malcolm Holmes to Jason Bird, dated 6th March 2015). The invitation that was sent for this meeting specifically highlighted the purpose of the meeting which was to provide *'the opportunity to engage with freight operators to seek your views and any concerns with the proposal'*. On the 12th May 2015 a separate follow-up phone conference was then held with Freightliner, and one of the outputs from this discussion was that SLC Rail commissioned a special report (at Freightliner's request) to confirm that sufficient capacity was available for future freight paths. This was then discussed at a further meeting with Freightliner on 20th July 2015. A special meeting to discuss performance with Freightliner was then arranged by SLC Rail for 13th May 2016, before the more recent meeting that Freightliner attended on the 27th February 2017, which you refer to in your letter.

I note that Malcolm Holmes of SLC also e-mailed yourself on 26th January 2017 to *'welcome the opportunity to meet and take you through the plans and the performance modelling analysis in more detail.'* and highlighted the next performance mitigation meeting which was scheduled for 3rd February 2017 in Birmingham, welcoming Freightliner's attendance and inputs at that meeting too.

You contend that Freightliner could not attend the meeting held at Saltley on the 5th June 2017 and this is accepted, although I would correct the statement made by Lindsey Durham that no freight operators were in attendance, because a representative from DB Cargo was present at the meeting and this is shown in the minutes.

The Kenilworth project was also discussed at the January 2017 and April 2017 LNW Route Investment Review Group (RIRG) meetings in Birmingham, and prior to that was also discussed at the October

2016 LNW RIRG when the issue of timetable modelling for the Kenilworth project was specifically raised (this item is included in the minutes of the meeting), and prior to that mentioned under the regular Network Change update at the LNW RIRG meeting back in July 2016. These RIRG meetings were all attended by a representative from the Freightliner Group.

Notwithstanding the above, Freightliner will also have received copies of all of the minutes of the meetings that they were unable to attend – such as the meeting at Saltley on 5th June 2017, so the opportunity to raise any concerns or queries by correspondence has existed since Freightliner were first made aware of the details of this project back in 2015.

The comments from yourself and Lindsay Durham about the lack of engagement are therefore confusing. The key point here being that the stakeholder engagement for this project was deliberately started early on in the process, due to the nature of the proposal and the likely sensitivities to other affected operators in terms of capacity and performance. This was to give sufficient time to adjust the proposed timings of the shuttle service (where possible) in the light of other operator concerns, or to progress any other mitigations which may be necessary to support the robust operation of the service. In fact one of the reasons that the proposed shuttle service runs slightly off a clockface pattern was to make way for conflicts with other operators. I would therefore contend that not only have Freightliner been aware of this project for some time, but have been offered the opportunity on a number of occasions to make representations or raise concerns with the proposal. Whilst I accept that some of the nervousness surrounding this project relates to the production of the Southampton to West Midlands FTL timetable validation report by Network Rail (which was only produced in June 2017), it is neither helpful, or fair, to be raising 'serious concerns' about the proposal at this stage, when any issues could and should have been addressed more effectively earlier on in the process.

Moving on, I note your concerns about the extent of the performance modelling and this was discussed at length at the meeting on the 25th September. It is accepted that the RailSys modelling does have some limitations – firstly it was necessary to draw a reasonable limit regarding the extent of the modelled route boundary, due to the expense and time involved in constructing an infrastructure model which extends further and further out. It is accepted that this may not give a perfect reflection of the performance impact, because RailSys measures the punctuality of trains at the modelled boundary, whereas PPM (the current industry standard measure for performance) is measured at a train's destination. This is inevitably going to lead to some form of understatement or overstatement of the performance impact compared to PPM, depending on network performance outside the modelling area. RailSys cannot also fully replicate the decisions made by signallers and Control teams during perturbation. Therefore, the value of the RailSys modelling in the exercise of modelling the impact of a radically new service change should be limited to highlighting the potential performance risks rather than being seen as a prescriptive quantification of the actual performance impact, as it may both under and over-estimate performance risks in different areas. For this reason, once the key risks identified in the RailSys modelling had been highlighted, the aim of the operational workshops so far has moved towards focussing on and agreeing potential mitigation options.

At the cross-industry meeting on the 25th September you will recall that we discussed the performance modelling at length and agreed that we do not consider that undertaking any further performance modelling at this point in time would add any additional value to the process. We already have a clear idea of the risk areas so to conducting a further refinement to the modelling would add little extra value to the process.

In terms of your concerns about the performance impact rippling beyond the West Midlands, you will recall that at the meeting on the 25th September West Midlands Trains Ltd (who will take over the

operation of the West Midlands franchise from 10th December) confirmed that the Kenilworth shuttle service would be operated by a Class 172 unit rather than a Class 153, as had been previously assumed. The Class 172 provides a material improvement over a Class 153 in terms of acceleration and braking, potentially offering a 3 minute journey time saving between Coventry and Leamington Spa. As the paths for December 2017 have been offered by Network Rail using Class 153 SRTs then this is likely to offer a notable performance mitigation through the operation of Class 172s in Class 153 paths.

You mention the Southampton to West Midlands Freight Train Lengthening (FTL) project and the impact of longer and heavier freight services on the route, and contend that the presence of the Kenilworth shuttle service will reduce the ability of freight operators to run 775m long freight trains, a concern raised following the production of the aforementioned Network Rail report from June 2017. The Network Rail report looked at the existing 72 train paths to and from the West Midlands to Southampton, and assessed 60 paths in terms of whether or not they could be accommodated with increased weight and length characteristics. Of these 60 paths, 36 are routed between Coventry and Leamington Spa.

Previous assumptions about the pathing of longer and heavier freight trains along this route had assumed that further double-tracking of the route between Leamington and Coventry would be commissioned (capacity interventions and electrification between Leamington and Coventry would have been commissioned as part of the electric spine project), which would have provided looping opportunities at Milverton Jn, however this is still uncommitted. The report therefore assessed the ability for the 36 paths to operate between Coventry and Leamington Spa non-stop instead, and concluded that 26 of 36 are able to run non-stop, and from these 26 trains, 4 would conflict with the Kenilworth shuttle service.

However the suggestion that 14 out of the 36 paths would be lost because of the Kenilworth service is misleading and probably over-states the impact of the shuttle service, because the fact that 10 paths could not be pathed non-stop is not explicitly due to the Kenilworth service but due to the previously assumed doubling at Milverton Jn not being commissioned, nor any proposal to lengthen the loop at Kenilworth being progressed by the Southampton to West Midlands FTL project. In fact the report acknowledges that the FTL project faces challenges even without the presence of the Kenilworth shuttle service, and the Package 1 Option (ie. which assessed the deliverability of the 72 paths at longer and heavier weights) concluded that only 52% of the paths could be pathed at increased weight and length anyway even without the presence of the Kenilworth shuttle service, due to the slower SRTs causing conflicts between Winchester and Worting Jn, and also conflicts with CrossCountry services between Leamington Spa and Banbury.

Your comment about the benefits of the double-tracking enhancement is completely valid and fully supported though - and the industry should be pushing strongly for the Government to invest in this scheme which is even more valuable now that the new station is committed.

Finally you make the challenge about the perceived economic benefits of the shuttle service and state that consideration should be given to an alternative option of stopping the existing CrossCountry service at Kenilworth instead. As the specifier for both the existing (and next) Cross Country franchises, and also as specifier for the next West Midlands franchise, this question should be directed towards the DfT as franchising authority, although it is worth mentioning that the new station at Kenilworth forms part of the baseline assumptions in the current West Midlands & Chilterns Route Study (and therefore forms part of the long-term strategic outputs for this route) and also that any economic assessment would need to include the realisation of the benefits of the investment that

has already been committed for the new station facility. Nonetheless at the recent meeting on 25th September, Malcolm Holmes of SLC Rail provided a background to the Kenilworth project and how the service specification had been developed. The specification for the shuttle service to serve the new station at Kenilworth has been included in the SLC for the next West Midlands franchise, and includes an hourly service between Coventry and Leamington Spa, so London Midland is committed to making the appropriate application for access rights on behalf of the next West Midlands franchisee.

I hope that this letter can give you some additional comfort with regards to this application.

Yours sincerely

A handwritten signature in black ink, appearing to read 'J. Carter', written in a cursive style.

James Carter
Network Access Manager