

Application to the Office of Rail Regulation for a passenger track access agreement, or amendment to a passenger track access agreement under sections 17-22A of the Railways Act 1993

1. Introduction

Please use this form to apply to the Office of Rail Regulation (ORR) for:

- directions under section 17 of the Railways Act 1993 for a new track access contract. Section 17 allows companies who want the right to use a railway facility (including Network Rail's network) to apply to ORR for access if they are not able (for whatever reason) to reach agreement with the facility owner.
- approval under section 18 of the Railways Act 1993 for a new track access contract. Section 18 allows companies to apply for approval if they have agreed terms with the facility owner.
- approval of a proposed amendment (agreed by both parties) under section 22 of the Railways Act 1993 to an existing track access contract.
- directions under section 22A of the Railways Act 1993 for an amendment to an existing track access contract. Section 22A allows anyone seeking an amendment to an existing track access contract which allows the operation of more extensive services to apply for a compulsory amendment if they are not able (for whatever reason) to reach agreement with the facility owner.

If it is the facility owner, Network Rail will carry out a pre-application consultation. In this case fill in this form up to section 7.3. You should fill in the rest of the form after the consultation and before applying to ORR. If you are unhappy with the facility owner carrying out the consultation, you should ask ORR to do so. If this is the case, you should complete this form in full before submitting it to us.

The form sets out ORR's standard information requirements for considering applications. It cross-refers throughout to our [criteria and procedures](#) (C&Ps). The C&Ps explain the process, timings and the issues we will expect to consider. You should use the published [model passenger track access contract](#) as your starting point when drafting the contract or amendments you want. Please read the C&Ps and the Code of Practice before applying.

We are happy to talk to you before you apply. Please contact us [here](#).

You can download a copy of this form, and of ORR's model track access contract, from the ORR website: www.rail-reg.gov.uk.

2. The application

2.1 Title of proposed contract or supplemental agreement (please also include the section of the Railways Act 1993 under which you are applying):

The Track Access Contract made between Network Rail Infrastructure Limited and the Great North Western Railway Company Limited

2.2 Contact details (Company and named individual for queries):

<u>Facility Owner</u>	<u>Beneficiary</u>
Company: Network Rail	Company: Great North Western Railway Company Ltd (Trading as Grand Central)
Contact individual: Rachel Gilliland	Contact individual: Jonathan Cooper
Job title: Head of Commercial Freight	Job title: Head of Contracts
Address: Network Rail Kings Place 90 York Way London N1 9AG	Address: Alliance Rail Holdings 88 The Mount York YO24 1AR
Telephone number: 07767 644397	Telephone number: 01904 628904
E-mail address: rachel.gilliland@networkrail.co.uk	E-mail address: jc@alliancerail.co.uk

2.3 Licence and railway safety certificate: please state whether you intend to operate the services yourself or have them operated on your behalf.

Does the proposed operator of the services (a) hold a valid train operating licence under section 8 of the Railways Act 1993 or an exemption under section 7, **and** (b) hold a valid safety certificate under the Railways and Other Guided Transport Systems (Safety) Regulations 2006. If the answer to (a) **or** (b) is no, please state the point reached in obtaining a licence, exemption and/or safety certificate.

C&Ps paras 3.9-3.15

Grand Central holds a valid train operating licence and an accepted safety case and will operate these services on behalf of GNWR.

3. The proposed contract or amendment

3.1 Executive summary: please provide an executive summary of the proposed contract or amendment. This should cover the services, the commercial terms, and the reasons for making the application in the terms proposed. This information should be laid out clearly and concisely, and fully highlight the changes from the previous version of the contract (in the case of an amendment). **C&Ps para 3.22-3.28**

Please also explain any important safety risks that have been identified arising from the proposal and how these will be controlled (by reference to the facility owner's safety authorisation and the train operator's safety certificate). **C&Ps paras 4.9-4.11**

Please also state the commencement and end dates for the proposal, and for new agreements or extensions to existing agreements, provide justification for the proposed length of the application, with reference to the [Railways Infrastructure \(Access and Management\) Regulations 2005](#). If you are a franchised operator, please state the expiry date of your franchise. **C&Ps paras 4.72-4.79**

This application represents a reduction in the scale of the previous application made and focuses on providing a regular service between Blackpool and London only. The services sought here replicate the rights sought in the application made by GNWR in June 2014.

Network Rail agreed to sell the London – Blackpool rights in relation to the June 2014 application. The rights sought in this application have been put to Network Rail's SoAR panel.

This application is made by GNWR, but in operation it is to be a Grand Central service. This is to take advantage of the successful brand of Grand Central which holds the highest passenger satisfaction levels in both the National Rail Passenger Survey and the Which rail survey. Grand Central is the industry leader in terms of its customer focused approach.

There is clear evidence that where on rail competition exists fares are lower, and service quality is higher. Passengers fund 71% of the railway through ticket sales, and they will receive an economic boost from the benefits that Grand Central services will bring.

In order to aid consultees we have produced a comparison showing the differences between the June 2014 application and this application. In summary these differences are:

- 1 The contract is based on the CP5 model contract with additions for Open Access provisions
- 2 The Leeds to Euston service has been deleted.

Owing to the uncertainty of future capacity at London Euston in connection with High Speed 2 (HS2) enabling works, Network Rail is currently unwilling to sell firm rights into the station beyond 2016. Network Rail had, however, agreed to sell firm rights for capacity as far as Queen's Park (London) and contingent rights between Queen's Park and Euston for the previous application. We anticipate that output from the HS2 Euston working groups being led by Network Rail will help determine the capacity that is available to train operators while HS2 is being built. In time this will allow Network Rail to enter into firm rights into London Euston for all relevant operators.

Grand Central plans to operate at approximately two-hourly intervals between London and Blackpool.

Grand Central plans to introduce the service from the December 2017 timetable change:

6 services will be operated each way Monday to Saturday and 5 services will be operated each way on a Sunday. The trains will be formed from 125 tilt-enabled rolling stock

capable of Enhanced Permissible Speeds (EPS) on the WCML.

Alliance and Network Rail have been working closely together in developing these new open access proposals on the West Coast Main Line (WCML) for a number of years.

The rights sought had previously been agreed with Network Rail following a significant period of evaluation on the available capacity. As rights sought are for quantum of services, it is not appropriate (nor is it possible) to include a detailed timetable to demonstrate how the available capacity will be used; however an indicative timetable is attached so that consultees have visibility of proposed journey times, stopping patterns etc. The rights are intended to be flexible for the industry so that the West Coast Event Steering Group (WCESEG) can realise the best use of capacity.

In this application Grand Central is seeking firm rights between Queen's Park (London) and Blackpool North, and contingent rights between London Euston and Queen's Park. A period of 10 years is sought to underpin the considerable investment to be made in the rolling stock.

Queen's Park station has suitable length platforms on the WCML Slow Lines. It offers interchange with London Overground and Underground services. The station offers excellent connections to central London, with a Bakerloo line train every three minutes

This will be a new contract with services operating under 'open access' commercial provisions. It is not subject to the provisions of regulation 1370/2007 relating to PSO services.

3.2 Terms not agreed with the facility owner (for applications under sections 17 or 22A only): please set out here any areas of the application which have **not** been agreed, the reasons for the failure to agree and the reasons for seeking these provisions. **C&Ps para 3.102**

All terms in the contract and the level of service were agreed by Network Rail for the June 2014 application. This application has been put before Network Rail's SoAR panel which is due to sit in April. It is anticipated that the application to the ORR will be made as an agreed application (as before) given that this represents only a reduction from what was applied for previously.

3.3 Departures from ORR's model passenger track access contract: please set out and explain here any:

- areas where the drafting of the application changes ORR's published template passenger track access contract (as appropriate, cross-referencing to the answers below). Please also explain why these departures have been made. **C&Ps paras 2.34-2.37**
- instances where the proposal departs from the charging and/or performance regimes established by ORR's latest periodic review (or subsequent interim reviews) as reflected in ORR's model passenger track access contract, including the financial implications (e.g. establishment of an access charge supplement or rebate). **C&Ps paras 5.1-5.44**
- new processes (e.g. a self-modification provision) which have been added. Please also demonstrate fully how this new process is robust and complete. **C&Ps paras 6.2-6.3**

This agreement is based upon the Passenger Track Access Model Contract (February 2015 version) which is intended for franchised operators. Therefore this contract has been amended to reflect use for Open Access.

Network Rail and Grand Central are reviewing the content of schedule 4 and the scope of compensation. The contract contains an Open Access Schedule 4 provision. We are reviewing whether this is appropriate given the known engineering works in relation to HS2.

The following additional schedules have been included:

Schedule 11 Schedule 4 and 8 modifications reopener
Schedule 12 Use Of Railways Infrastructure Reopener
Schedule 13 ERTMS Reopener

4. The expression of access rights and the use of capacity

4.1 Benefits: please set out what specific benefits the proposal will achieve, including a justification for requiring the rights and their characteristics. Please provide full descriptions of any new rights required, as compared to the previous contract (in the case of an amendment). Please also describe any significant changes in the pattern of services, their benefits to passengers and any impact on other operators, including freight operators. Where appropriate, please provide a fully marked-up version or document comparison of any tables in Schedule 5 which are being modified as a result of this application. **C&Ps paras 4.26-4.35**

Services are planned as follows:

- London (Euston or Queen's Park) to Blackpool North via Preston and Poulton-le-Fylde

Services are planned to operate making use of one of the hourly paths on the WCML that Network Rail has identified. Six trains per day are planned (Monday to Saturday) with five on a Sunday. This will significantly benefit Blackpool under its new Enterprise Zone status.

As far as possible, the same or a very similar level of service should operate throughout the week, though Grand Central expects services to finish slightly earlier on Saturdays, and start later on Sundays.

Services are planned to be introduced in the December 2017 timetable. The introduction of new services will be in line with the expected acceptance and commissioning of the new rolling stock required to introduce them and is dependent on the commissioning of overhead line equipment on the Blackpool route which is expected by mid 2017.

Trains will initially have a capacity of around 330 seats from 6 passenger vehicles. It will be possible at a later date to increase capacity by adding vehicles. The trains will be capable of running at up to 140 mph, to future proof their performance, and will tilt to achieve Enhanced Permissible Speeds (EPS) - currently a maximum of 125 mph on the WCML.

The intermediate stations to be served by some or all of Grand Central's trains are defined in table 4.1 of the draft track access agreement.

As well as new and improved connectivity between a number of important locations, a significant number of Northern towns will also gain new direct links to London, with services of inter-city quality and speed. Other towns and cities on the WCML will gain a more frequent service to London and the North West, in some cases restoring off-peak inter-city services that were lost in 2008. This will also provide some competition on the route. The

planned services address a number of RUS gaps, especially those concerning on-train crowding.

Grand Central is a member of the Northern Programmes Board. Grand Central is also represented at a number of other stakeholder meetings regarding the WCML and the North of England.

4.2 Adequacy: please set out how you have satisfied yourself that there is enough network capacity for the services in the proposal. Please also set out whether there are any implications for overall network performance and the facility owner's maintenance and renewal activities. **C&Ps paras 4.12-4.45**

The rights in question have been the subject of capacity modelling and have already been scrutinised by the Network Rail SoAR panel in 2014. Recent work carried out by Network Rail for the ORR, and in connection with the WCML Route Utilisation Strategy, has indicated that there is spare capacity on the WCML for at least one off-peak path an hour in each direction on the Fast Lines.

Uncertainty over platform capacity at Euston between now and the opening of phase 1 of HS2 means that Network Rail cannot agree firm rights into Euston at this stage. However, Grand Central understands that up to 16 platforms will be available at Euston for at least part of this period so is confident that rights to operate into Euston can be granted at a later date.

In the meantime, Network Rail and Grand Central have agreed a plan to terminate services at Queen's Park (London). Trains will then run ECS into the Kilburn Up and Down Goods Loop immediately east of the station. Turn-round time in the loop is expected to be between 15 and 40 minutes depending on the outcome of detailed timetable development work. This method of operation has been validated by Network Rail's LNW Route Team. The only scheduled use of the loop in the current timetable is one train on a Saturday morning.

Northbound services will depart from the Down platform and cross to the Down Fast at the earliest opportunity.

The Slow Line platforms at Queen's Park are shown in the Sectional Appendix to have an operational length of 194 metres: a 6-car Pendolino is 145 metres long.

The application introduces a significant number of new high quality vehicles funded entirely by the private sector. With the introduction of our new train sets we would expect reliability to be high, and recovery from any failure to be rapid. Grand Central also anticipates that the issues concerning the performance of any re-cast timetable will be addressed by the WCESG.

4.3 Flexing rights: please provide a general description of the extent of any limitations on the facility owner's flexing rights in the proposal. Please provide the rationale for the extent of any limitation on the flex provided, including any changes to pre-existing services, and the extent to which the provisions have been agreed with the facility owner. **C&Ps paras 2.27-2.33**

The rights sought provide a great level of flexibility for Network Rail and the industry so that

most efficient use of capacity can be made to develop a new timetable.

4.4 Journey time protection: please describe whether the proposed contract gives journey time protection to any services (by establishing maximum journey times, fastest key journey times or maximum key journey times), and explain the reasons for this, with reference to ORR's criteria. **C&Ps paras 8.90-8.103**

Grand Central is not seeking journey time protection in this application.

4.5 Specified equipment: please give full details of any changes to specified equipment (rolling stock), including timescales, and how much of the vehicle and route acceptance procedure in the Network Code (Part F) has been completed. Please explain whether you have, or will have, the rolling stock necessary to exercise the rights being sought. **C&Ps paras 8.87-8.90**

Grand Central will use Alstom Pendolino tilting 6-car EMUs to operate its services. These will be able to take advantage of the existing Class 390 EPS speed profile on the WCML.

Specification and pricing of the rolling stock has been discussed with Alstom. Placing an order will follow approval of track access rights. Completion of rolling stock delivery will take around two years from the date of an order.

4.6 Franchise obligations: please explain whether the proposed services are necessary to fulfil obligations under a franchise or concession agreement. **C&Ps paras 4.3-4.4**

Not applicable

4.7 Public funding: please state whether (and if so to what extent) the proposed services are subject to financial support from central or local government (other than the Department for Transport or Transport Scotland), including Passenger Transport Executives. Please also provide a point of contact at that body. **C&Ps paras 3.52, 4.25, 4.35-4.39**

The proposed services require no public funding. Indeed the provision of privately funded new rolling stock will have a positive impact on the funds available to the Secretary of State for Transport.

4.8 Passenger Focus and, where applicable, London TravelWatch: please state whether (and if so to what extent) the proposed services have been discussed with these bodies. Please also provide copies of any relevant correspondence. **C&Ps para 4.39**

We have discussed with Passenger Focus the re-submission of a Blackpool only application, and their supportive comments as outlined in their earlier consultation response of 1 July 2014 remains their position. Passenger Focus will of course be further consulted

formally on this application.

4.9 Route utilisation strategies (RUSs): if applicable, please state which RUSs (including the Freight RUS) are considered relevant to this application and whether the proposed rights are consistent with that RUS. If the proposed rights are not consistent, please explain the reasons for this. **C&Ps paras 4.5-4.8**

The WCML RUS and Northern RUS are the most relevant.

The two key gaps in the RUSs addressed by this proposal are:

Connectivity between Milton Keynes and the North-West

Crowding between the following locations: Milton Keynes and Euston;.

5. Incentives

5.1 Train operator performance: please describe any planned projects associated with the operation of the proposed services aimed at improving your performance. **C&Ps paras 4.26-4.36**

Grand Central's new rolling stock will incorporate all the enhancements applied to the existing Class 390 fleet. This ensures that the reliability will match or exceed that of the current Pendolinos.

It is proposed that Grand Central trains will be serviced overnight and maintained at one of Alstom's existing Pendolino depots, Longsight or Edge Hill. This will ensure technical expertise is on hand to resolve any vehicle defects quickly.

The 6-car Pendolino will be fitted with two pantographs, though in normal operation only that towards the rear of the train will be used.

In addition Grand Central will discuss with Network Rail the possibility of fitting the new fleet with infrastructure monitoring equipment. Following approval, Grand Central will work in partnership with Network Rail to help reduce fleet and infrastructure failure through improved monitoring of trains and infrastructure

5.2 Facility owner performance: please describe any planned projects associated with the operation of the proposed services aimed at improving the facility owner's own performance. **C&Ps paras 4.26-4.36, 5.1**

Grand Central has been working closely with Network Rail to identify projects that could help improve capacity and performance robustness.

5.3 Monitoring of services: would all proposed services be monitored for performance throughout their journeys, consistent with our policy in paragraph 5.50 of the criteria and procedures? If not, please state the reasons for this is in line with the permissible circumstances described in paragraph 5.51 of the criteria and procedures. **C&Ps paras 5.50-5.56**

Services will be monitored consistent with ORR policy.

5.4 Performance regime changes (for applications under sections 17 or 22A only): where applicable, please provide justification for any changes to Schedule 8 of the track access contract in the proposal. If necessary, please provide any relevant information in support of the changes proposed. **C&Ps para 5.38-5.40**

Not applicable.

6. Enhancement

6.1 Enhancement details: where the proposal provides for the delivery of any network enhancements, or the services in the proposal are subject to any planned network enhancements, please give full details of the relevant enhancement schemes, including a summary of outputs from the scheme, timescales and the extent to which the network change procedure in the Network Code (Part G) has been completed (where appropriate, by reference to submissions made under ORR's enhancement reporting framework). **C&Ps paras 4.80**

Operation of the proposed services is dependent on timely completion of the following electrification schemes, with expected completion dates shown in brackets:

- Blackpool North to Preston (May 2017)

Other routes electrified as part of the North-West Electrification programme may also be used for ECS or diversionary routes, though the proposal does not depend on this.

The Stafford Area Improvements Project, including a grade-separated junction at Norton Bridge will improve capacity on the WCML. It is scheduled for completion in 2017. The proposal does not depend on this scheme, but will benefit from it.

6.2 Enhancement charges: please confirm that the arrangements for the funding of any network enhancements are consistent with ORR's [Policy Framework for Investments](#), and summarise the level and duration of payments, and the assumed rate of return (see chapter 3 of the Conclusions document). **C&Ps paras 5.6, 5.12-5.14**

Not applicable.

7. Other

7.1 Associated applications to ORR: please state whether this application is being made in parallel with, or relates to, any other current or forthcoming application to ORR (e.g. in respect of track, station or light maintenance depot access contracts). **C&Ps paras 3.18-3.19**

Further applications in relation to station and maintenance access will be made following approval of this application.

7.2 Supporting information, side letters and collateral agreements: please:

OFFICE OF RAIL REGULATION
ONE KEMBLE STREET, LONDON, WC2B 4AN

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- state here any relevant information in support of the proposal, including a list and explanation of any other material being submitted (and supply copies with the application). **C&Ps para 4.33**
- confirm here that the whole of the proposal between the parties has been submitted with this application and that there are no side letters or other documents which affect it. **C&Ps paras 6.12-6.16, 6.21**

Financial details regarding costs and revenue for the service group are commercially confidential and will be provided to the ORR under separate cover.

Grand Central will also provide updates to ORR in relation to discussions with Network Rail regarding on board monitoring equipment.

7.3 Confidentiality exclusions: please list any parts of your application which you have excluded on the grounds of confidentiality, from the version of the proposed contract sent to consultees for any pre-application consultation process, and provide reasons. If there has been no pre-application consultation, you should state any parts of the application and proposed contract you want us to exclude from publication. **C&Ps paras 3.29-3.34**

Any associated side letters to be provided along with the business case information.

Note: Where a pre-application consultation is to be undertaken in line with the Code of Practice, the remainder of this application should not be completed until after that consultation has been completed

8. Pre-application consultation

8.1 The consultation: has a pre-application consultation been carried out in line with the Code of Practice? If yes, please:

- state who conducted the consultation;
- list all train operators, franchising authorities and any other parties that were consulted, stating which parties responded and attach their responses and any associated documentation to this form; and
- state the period allowed for the consultation. If this was less than 28 days, please explain the reasons for this.

If a pre-application consultation has not been carried out, please explain the reasons and whether any informal discussions have been held with any third parties who might be affected by this application and the nature of any concerns which they raised. **C&Ps paras 3.62**

This application reflects the agreed position reached between Network Rail and Grand Central [GNWR] in relation to Blackpool services applied for in June 2014.

This application contains a reduced number of services from those sought in the previous applications made in December 2011 and June 2014

A full list of all the consultation responses for the greater number of services sought in those previous applications can be found at the ORR website or by visiting the Alliance

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website at:

<http://www.alliancerail.co.uk/alliance-wcml-application/>

The consultation for this application was carried out by Network Rail. Initially it was hoped that the consultation period could have been reduced to 14 days following agreement with the DfT. In the event the Virgin West Coast requested that the consultation was for 28 days.

8.2 Resolved issues: please set out any issues raised by consultees which have been satisfactorily resolved. You may wish to refer to responses attached to this form. Please explain any changes as a result of the consultation.

Replies dealt with all the issues arising from the previous consultation[s] and can be accessed at : <http://www.alliancerail.co.uk/alliance-wcml-application/>

Network Rail is responding to all the queries raised. These will be sent separately to the ORR.

8.3 Unresolved issues: please set out any issues raised by consultees which have *not* been satisfactorily resolved, including any correspondence with that consultee. You may wish to refer to responses attached to this form. Please explain why you think these issues should not stop ORR approving the application.

Network Rail is responding to all the queries raised. These will be sent separately to the ORR.

9. Certification

*Warning: Under section 146 of the Railways Act 1993, any person who, in giving any information or making any application under or for the purposes of any provision of the Railways Act 1993, makes any statement which he knows to be false in a material particular, or recklessly makes any statement which is false in a material particular, is guilty of an offence and so liable to criminal prosecution **C&Ps para 3.40***

In the case of agreed applications under section 18 or 22, Network Rail should fill in the required information in the box below. For disputed applications under section 17 or 22A, the applicant should fill in the required information.

I certify that the information provided in this form is true and complete to the best of my knowledge

Signed 

Date 21st May 2015

Ian Yeowart

Name (in caps) Job title

Managing Director

For (company) Great North Western Railway Company Limited

10. Submission

10.1 What to send: please supply, in hard copy, the signed application form, one copy of the proposed contract or amendment, with copies of any documents incorporated by reference (other than established standard industry codes or other documents) and any other attachments, supporting documents or information. **C&Ps para 3.39**

Please also supply the application form, the proposed contract or amendment and, where possible, any other supporting information, in electronic form, by e-mail or on disc, **in plain Microsoft Word format** (i.e. excluding any macros, auto-para or page numbering, or other auto-formatting). **C&Ps para 3.37-3.38**

10.2 Where to send it:

Manager, Track Access Team
Directorate of Railway Markets and Economics
Office of Rail Regulation
One Kemble Street
London
WC2B 4AN