



Proposed Track Access Contract Between

Network Rail Infrastructure Limited

&

Great North Western Railway Company Limited

Under Section 17 of the Railways Act 1993

Network Rail's Representations

17th November 2017

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Introduction

The West Coast Mainline (WCML) runs between London Euston and the Scottish border, and is the busiest mixed use railway in Europe supporting major British cities outside of London. It is central to the business of many UK and international passenger and freight operators.

The southern section of the WCML plays a crucial role in providing commuter rail services into London, whilst the North West section provides vital connections between major cities and towns such as Manchester, Liverpool, Preston and further beyond.

Over the coming years, HS2 works at Euston and in other places will be a major factor on the West Coast Main Line, with the proposed commencement of HS2 services from 2026. The contract proposed by Great North Western Railway (GNWR) (The Applicant) will commence on the Subsidiary Change Date May 2019 and expire on Principal Change Date December 2026, in line with the planned commencement of HS2 services.

The contract (The Application) seeks to secure quantum rights (table 2.1 of Schedule 5) as described in the draft TAC and which is based on the Passenger Track Access Model Contract (version published February 2015), with the addition of the following Schedules:

- Schedule 11: Schedule 4 and Schedule 8 Modifications Reopener
- Schedule 12: Use of Railways Infrastructure Reopener
- Schedule 13: ERTMS Reopener

The Application has been made under Section 17 as Network Rail is not currently in a position to agree to the rights sought. Further discussions are required due to the fact that there are elements of The Application that Network Rail may be able to support in the future, but can't at this time due to insufficient information. These are outlined below in Network Rail's response.

The Application Form P

Section 3.2 of the application Form P regarding “Terms not agreed with the facility owner” states that:

“All terms are agreed subject to the following:

- *Despite supporting the previous application, Network Rail is currently unable to quantify the amount of capacity available for this small number of services.*
- *Route and vehicle acceptance of the Class 91/225 sets on the WCML.*
- *Adequate rescue/recovery plans to mitigate the risk of train failure”*

Further to the above, Network Rail also has concerns over the performance impact on the WCML. Since the capacity and performance assessments in The Application require further exploration, it is not possible for Network Rail to confirm its support at this stage.

ORR Criteria and Procedures (para 2.16) states that:

“We also expect prospective users to try in good faith to reach agreement with facility owners on terms of access wherever possible before submitting applications under sections 17 or 22A. In that respect, it is important that prospective users begin discussions with facility owners early enough to allow time to follow the section 17 or 22A processes and obtain directions from ORR should that become necessary”

As suggested by The Applicant in Section 3.1, GNWR and Network Rail have worked closely together in developing the new access proposals on the WCML for some time. Whilst Network Rail would always endeavour to negotiate an agreed Section 18 application as our preferred approach to working with customers, we welcome the opportunity that this Section 17 application allows for ongoing discussion and agreement to be reached during the application process. We are further forward now in agreeing elements of the requested capacity following recent discussions, than at the time of submission of the Section 17, although more work is required, which is set out below.

Proposed Contract

Model Contract

The Application is based on the Passenger Track Access Model Contract (version published February 2015), with the addition of the following Schedules:

- Schedule 11: Schedule 4 and Schedule 8 Modifications Reopener
- Schedule 12: Use of Railways Infrastructure Reopener
- Schedule 13: ERTMS Reopener

The following errors have been found in the model contract submitted by The Applicant:

- The Effective Date is stated as being the Principal Change Date 2017
- The incorrect address for Network Rail has been given in Schedule 1

We note that The Applicant has not used the most recent version of the ORR model contract. As a result we have noted the following differences in wording:

- The definition of Journey Time has been added to Schedule 4
- The SPD Cost Thresholds in Schedule 4 are different to those in the model contract

The wording within Clauses 2.9, 7, 8 and 13.1 of Schedule 4 is different to that in the model contract

Clause 3.8 Investment Conditions

Clause 3.8 the Investment Conditions, seems to request the same amount to be invested by both 01/09/19 and 01/09/23. And the Expiry Date if these conditions aren't met is not until SCD 2024. Network Rail's view is that this date is too late, as potentially it could mean that unused capacity will have been sold for 5 years, or that the Specified Equipment could be operating without upgrade for 5 years. Network Rail would be concerned if this were the case, and seeks clarification from The Applicant and ORR on this point.

Schedule 5 - The Services and the Specified Equipment

Network Rail welcomes the stated aims of The Applicant to deliver significant passenger benefits in terms of competition, more direct London to Blackpool services and new journey opportunities as stated in the Form P. Network Rail will continue to work with The Applicant in developing its timetable to deliver the aforementioned benefits.

The Services

Network Rail’s view of the deliverability of the quantum of passenger train slots sought by The Applicant in Table 2.1 of Schedule 5 is included in the Capacity section below.

Calling Patterns

Network Rail cannot currently support the sale of the calling patterns specified by The Applicant in Table 4.1 of Schedule 5 until the capacity study has been concluded (see Capacity section below).

The Specified Equipment

In Section 4.5 of the Form P, The Applicant states that:

“GNWR will use a short formed class 225 unit comprised of a Class 91 locomotive, 7 Mk4 passenger cars, and a Mk4 Driving Van Trailer. These vehicles have run previously on special services on the WCML. Alliance has engaged with Network Rail and others on route clearance and this discussion is ongoing.”

It is recognised that The Applicant has offered to work with Network Rail on route clearance for the proposed Specified Equipment which will require formal approval through Network Rail’s Vehicle Change process. It is also noted that the Specified Equipment is electric and utilises the benefits delivered as a result of the electrification schemes in the area.

Network Rail notes that that the Specified Equipment has miles per technical incident figures below the rolling stock currently operating on the WCML, although also notes that these figures are part of an improving trend. Network Rail would be keen to see that the measures put in place by The Applicant to improve reliability, are able to further improve the miles per technical incident.

Rolling Stock Class	Miles Per Technical Incident
IC225	14,736
221	16,262
390	21,068
350	94,466

Data represents MAA, taken at P6 17/18

Capacity

The Applicant has proposed to run up to six services a day on the WCML between London Euston and Blackpool North. As part of the development work undertaken prior to The

Applicant submitting The Application, they submitted proposed train paths to Network Rail. These had been created using the December 2016 timetable as the baseline.

Network Rail undertook a Quality Assurance exercise on the GNWR proposed train paths to establish whether the proposal is achievable within the existing timetabling constraints and given the proposed timings and rolling stock suggested.

At the time of The Application, Network Rail did not have sufficient evidence to agree that the capacity existed for trains with the operating characteristics in the Specified Equipment. Network Rail found a number of significant clashes throughout the route which meant that The Application could not be supported.

Since The Application was made, Network Rail and The Applicant have met to discuss how the capacity study will be concluded. Changes coming into effect north of Wigan in the subsidiary timetable change 2018, as a result of a timetable re-cast by Northern and Transpennine Express, has informed a decision to undertake the capacity study in two parts.

Train paths between Euston and Winwick Jn have been assessed against the December 2016 timetable. The number of train clashes has been reduced to two instances, with further work ongoing to find a resolution to these.

Network Rail is working with The Applicant to assess the capacity between Winwick Jn and Preston. However, this work will be carried out once the subsidiary timetable for May 2018 has been offered on 17th November. This will enable The Applicant and Network Rail to understand how the Northern and Transpennine Express re-cast timetables change the structure of the timetable, and therefore the capacity available. This will enable Network Rail to assess the capacity for additional services to Blackpool.

The impact of this is that Network Rail is will not be in a position to provide a clear view on whether capacity is available to sell rights to The Applicant until 22nd December 2017.

The unresolved issues in the capacity study (on the area between Euston and Winwick Jn) are limited to the following concerns:

- GNWR path 1P17AR clashes with 1Q29 NMT train path. Further work is being undertaken to assess whether there is an alternative path for the NMT, which would resolve the capacity concern.

- GNWR path 1A98 has a clash on Tuesdays with a Network train (3Q69). Further work is being undertaken to assess the option to run via Northampton on Tuesdays only.

The quantum of train services and the operating characteristics of the Specified Equipment have not changed significantly since Network Rail previously sold rights to The Applicant on the section of the route between Preston and Blackpool. The quantum of services operated by other operators has not increased between Preston and Blackpool North. Therefore Network Rail does not expect to withhold the sale of rights on the basis of capacity between Preston and Blackpool.

HS2 Works at Euston – Euston Mitigation Measures (EMM)

As part of the assessments for works at Euston to deliver the HS2 programme, Network Rail have carried out a train planning assessment of whether Euston station could accommodate the December 2018 timetable, including growth services, with the reduced platform capacity during State 2 of the Euston development. This assessment included The Applicant operating six services per day to Blackpool at 125mph (plus associated ECS). As part of the assessment, Network Rail included paths for trains to move materials to and from the site by rail (referenced as Materials by Rail in the EMM report – see Appendix 1).

Although the timings of The Applicant services were based on assumed running of 125mph (therefore would present at Euston at different times) the quantum of trains remains the same on the approach to/from Euston. On this basis Network Rail is satisfied that the original assessment is sufficient to demonstrate the capacity is available in Euston station to accommodate the services alongside the Materials by Rail services. The geographic scope of the paths developed for the Materials by Rail services was between Euston and Wembley.

Train Performance

West Coast Mainline performance has been an improving picture. The Delay per Incident measure has been steadily decreasing over the last 12 months (see Appendix 2) whilst the asset Composite Reliability Index (see Appendix 3) has been improving. Therefore it is important for Network Rail to assess the performance risks of changes to the quantum of services on the Route.

In order to assess train performance, capacity must be agreed between Network Rail and The Applicant. In preparation for this, Network Rail has agreed an allocated resource to complete the assessment on performance once a timetable has been agreed. It is anticipated that Network Rail will be in a position to share its view on the performance risks with ORR by 22nd December 2017.

Rescue & Recovery

It is acknowledged by The Applicant that adequate rescue & recovery plans are required to mitigate the risk of train failure. Whilst The Applicant has not supplied any specific arrangements for rescue/recovery of its services, it is keen to work with Network Rail and

the wider industry to develop these plans in detail. Network Rail welcomes the opportunity to work with The Applicant on the most robust way of managing perturbation following train failure.

Conclusion

The key risks and identified with The Application have been explained in the previous sections; these centre on capacity, train performance, rescue & recovery plans and clause 3.8 investment conditions of the contract.

Whilst there is ongoing work to determine whether there is available capacity to operate trains on the route with the specified equipment, Network Rail does not have the required information to make a judgement on the performance risk of selling the rights sought by The Applicant.

Appendix

Enclosed

1. 'Capability Capacity Analysis EMM Final Report v0 2.pdf'

Network Rail report into the Euston Mitigation Measures

2. 'LNW - Area DPI.xls'

Delay per Incident information for LNW Route, containing Moving Annual Average figures from P13 14/15 to P7 17/18

3. 'WCS Area CRI Report 2016-17 P13.pdf'

Composite Reliability Index for multiple disciplines, showing actual against target for 2016/17