

# *Grand Union*

Gareth Clancy

Head of Access and Licensing

Office of Rail and Road

Via email:

17 June 2022

Dear Gareth

**Application for directions: proposed track access contract between Network Rail Infrastructure Limited and Grand Union Trains Limited**

I write in response to the recent letter you received from Network Rail regarding our application for rights to operate a small number of services between London Euston and Stirling.

The content of the letter was not unexpected but is depressingly familiar from an organisation that appears to have a clear desire to prevent new services operating on the network, despite many £millions of taxpayers funding previously requested and provided to increase capacity.

On the WCML over £250m of taxpayer funding was used to 'improve resilience' and create two additional LDHS paths per hour between London and the northwest through improvements in the Stafford area, much heralded at the time by Network Rail and the business case for which was justified by the creation of the extra paths. This was after the £9 billion upgrade of the route. Those 'paths' have never been utilised and is a further marker of significant investment provided to Network Rail that did not deliver the promised outputs.

In this instance following Network Rail's declaration of congested infrastructure, an Industry Planning Group (IPG) was created to address the issue.

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As has been noted, the IPG eventually morphed into an Event Steering Group (ESG) ably chaired by James Carter of Network Rail and which worked in a fully collaborative manner to address the Terms of Reference and deliver the required outputs. Grand Union would like to place on record the positive way in which this issue was addressed by all the industry parties involved.

The ESG outcome required a revised timetable structure to promote best use of capacity and deliver improved performance as well as facilitating changes committed as part of the Avanti West Coast franchise and other access applications and the HS2 driven reduction in the number of platforms at Euston. Amongst the delivery benefits were:

## Capacity

- Better match between passenger capacity and demand
- Accommodate franchise commitments and OA proposals
- More capacity for freight (more and heavier trains) and better pathing

## Connectivity

- Enabling new journey opportunities and growing rail markets

The development of a new timetable (Concept Train Plan – CTP) delivered on the remit of accommodating the proposed services whilst at the same time modelling a significant improvement in performance compared with December 2019.

However, as the CTP developed with a working timetable emerging that addressed the remit, it was becoming clear that elements within Network Rail were seeking to undermine that work with consistent references to performance in May 2021, (a time when services were reduced and passenger numbers were very low) rather than December 2019 which was the remit from the ESG work. Although anecdotal, the phrase ‘we don’t want any more trains on ‘our’ railway’ rings very true from the position adopted by Network Rail, at least on the southern part of the route.

As Grand Union, Avanti (Liverpool) and all other services were finalised and included within the CTP for the December 2022 timetable, then the issue in question is purely one of performance. All services were developed within a fully compliant timetable.

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The ESG set out to accommodate additional services and improve modelled performance. This it has achieved. Network Rail's own figures show a marked improvement of 5.3% at all stations in on-time figures, a significant betterment.

In its simulation modelling of performance between Carlisle and Stirling, Network Rail noted: *"It is unrealistic to assume that it is possible to maintain COVID levels of performance in a timetable with pre-COVID quantum levels and no other interventions. Using an interim COVID timetable as a Base would be likely to show that any proposed Option timetable would see performance degradation – the performance would fall due to a higher number of trains"*.

*"The fundamentally different circumstances mean that using a COVID timetable as the base would result in an imbalanced and less valid comparison. Despite the known issues, Dec 19 - with a similar level of service quantum to Dec 22 - is a more suitable Base. This is because the performance impact of interventions, such as a change in timetable structure, can be assessed more effectively"*.

This is completely at odds with the work undertaken by Network Rail in the NW&C performance report which seeks instead to use a 'Covid' timetable performance, despite it being identified as an imbalanced and less valid comparison elsewhere within Network Rail. As noted earlier, Network Rail does not want any more trains on its network and is using dubious means to make the narrative fit by artificially trying to identify what, in effect, was an 'emergency' timetable as a measure for performance improvement. This was not part of the remit when the work was approved.

Network Rail makes much reference to the poor performance in December 2019 but omits to state that much of that was down to the structure of the timetable, a point made by colleagues in Scotland. This has become even clearer following the output from the ESG.

In an interview with Modern Railways in February 2022, James Dean, Route Director South stated: *"There was a willingness on the part of Network Rail's train operating company (TOC) partners to work together to improve things through a Performance Improvement Programme for the route. West Midlands Trains conceded that a change*

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*it had made on the Chase line, involving more splitting and joining trains at Birmingham New Street, was not working; this would be unwound in the December 2019 and May 2020 timetable changes...*” He continued: “As 2020 began, the work was beginning to bear fruit: performance indicators were going in the right direction. And then the pandemic hit.”

He also stated that “*..the over-riding imperative, given the state of the industry’s finances is to build back traffic as Covid recedes*”.

This clearly points to the impact of timetable structure, a position noted in Scotland but for some reason dismissed in NW&C. There is a clear disconnect at Network Rail in relation to modelled performance and deliverability, and the ESG has delivered fully on its remit in accommodating new services while at the same time improving performance.

The performance report from Carlisle to Stirling also looked at changes with and without Grand Union services noting that: “*Due to the negligible difference in performance between the timetables with and without the GUT paths, the introduction of the services is not considered to present a performance risk in this area.*”

Having been given late sight of the Railsys report for NW&C a number of issues are evident. When Network Rail compared the December 2022 and December 2019 timetable there is no mention of the Grand Central Blackpool services in the December 2019 timetable (Table 6). As a result, the introduction of Grand Union’s services shows a performance change starting from a nil base.

As Network Rail is aware, Grand Union’s initial application was focused on using a number of the now unused 5 daily return paths vacated by Grand Central having to withdraw from the market. The performance change shown is therefore not a true representation of the performance changes that might be expected by the introduction of Grand Union’s services.

In its report, NW&C measured Avanti (Liverpool) and Grand Union services together in performance terms. As has been shown in Scotland, the detail of the impact of varying applications needs to be modelled separately and putting Grand Union’s limited number of services within one package is discriminatory and appears to be

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designed to show a performance impact that is 'unacceptable' (in Network Rail's view), but which may in fact be negligible as identified in Scotland. This area needs to be addressed by Network Rail.

In every modelled scenario within the Railsys report Grand Union services perform better than every other long distance service along the WCML. In some cases, by a significant margin.

Network Rail carried out a large number of sensitivity tests in its desire to 'prove' that additional services have, in Network Rail's view, an 'unacceptable' impact on modelled performance. As the remit was to undertake an ESG to see if the applications could be accommodated without an adverse impact on performance – with the output for December 2022 showing a 15% reduction in delay over December 2019 – this would point to an unhealthy desire to keep new and important services off the network.

The modelled change in delay minutes by removing Grand Union's services is shown as 0.02%. In every sense this is a negligible difference. The difference when putting Grand Union and Avanti (Liverpool) together is 0.07%.

While apparently not approved by Network Rail it is not clear from the letter Network Rail sent to the ORR whether the Avanti (Liverpool) services had been 'approved', as the response Network Rail made to the ORR was 'confusing'. It appears however, that they have not been rejected out of hand as has Grand Union. We will address this discriminatory behaviour in separate correspondence with the ORR.

In view of the fact that Network Rail appears to state in its Avanti (Liverpool) response that these services could "potentially be introduced at a later date", Grand Union would welcome the opportunity to have a meaningful discussion with Network Rail and the ORR on what this actually means, as no such offer has been put forward to Grand Union. Some initial discussions with Network Rail on how paths might be protected for a delayed start has shown that Network Rail is unclear about how this would be achieved. This is a concern for all new services that may be 'introduced' at a later date. The historic cannibalisation of paths was one of the reasons that the infrastructure was declared congested.

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Grand Union is looking to the ORR to reject Network Rail's position in not supporting Grand Union's application on a number of grounds:

- The ESG remit has been delivered with a marked improvement in performance
- The modelled changes in performance by the introduction of Grand Union's services is negligible
- Network Rail has stated that December 2019 was showing performance still deteriorating but this is not correct as outlined by comments from the Route Director following a Performance Improvement Programme - *"As 2020 began, the work was beginning to bear fruit: performance indicators were going in the right direction"*
- Grand Union's initial application was to utilise the vacant Grand Central Blackpool paths. These paths were not included in the December 2019 timetable so their performance was not measured
- It is unrealistic to assume that it is possible to maintain COVID levels of performance in a timetable with pre-COVID quantum levels and no other interventions

Yours sincerely



Ian Yeowart

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