

## APPLICATION TO THE OFFICE OF RAIL AND ROAD FOR A PASSENGER TRACK ACCESS CONTRACT, OR AN AMENDMENT TO AN EXISTING CONTRACT

ORR ensures that train operating companies have fair access to the rail network and that best use is made of capacity. If a train operator wants to access the national railway network, it will need a track access agreement with Network Rail which requires ORR's approval under the Railways Act 1993. When determining access to the network, we must have regard to our [statutory duties](#), most of which are set out in section 4 of the Act. We must exercise our functions (which include the approval of access contracts) in a way that we consider best achieves those duties.

Use this form to apply to the Office of Rail and Road (ORR) for a passenger track access contract, or an amendment to an existing contract by a supplemental agreement, under sections 17-22A or the Railways Act 1993.

It sets out ORR's standard information requirements for considering applications. Our [track access guidance](#) (and our [making an application](#) guidance in particular) explains the process, timescales and the issues we will consider. Please read the guidance before completing the contract and this form.

If the facility owner and beneficiary have agreed terms, the facility owner should fill in the form. If not, the beneficiary should fill in the form.

A pre-application industry consultation is usually required before submitting an application. Please see the industry [code of practice for track access application consultations](#) for more information.

This form should be completed up to section 10 and sent to consultees along with a copy of the proposed contract or supplemental agreement. Sections 10 and 11 should be filled in after the consultation and before applying to ORR.

We are happy to talk to you informally before you apply. Please contact us [here](#). You can download a copy of this form, and of our model track access contract, from our [website](#). Please ensure that you are using the latest version of this form as published on our website. We may ask for applications which have not used the latest version to be resubmitted.

You may also use and adapt this form if necessary to apply to use railway facilities other than those of Network Rail. Do not use this form for HS1, for which a separate form is available on our [website](#).

# 1. Application Summary

## 1.1 Beneficiary company name:

East Coast Trains Limited (North West Services)

## 1.2 Facility owner details:

Network Rail:	<input checked="" type="checkbox"/>				
Region:	Southern <input type="checkbox"/>	Eastern <input type="checkbox"/>	North West & Central <input checked="" type="checkbox"/>	Wales & Western <input type="checkbox"/>	Scotland's Railway <input type="checkbox"/>
Other Facility Owner:	<input type="checkbox"/>	Please state:			

## 1.3 Application under the Railways Act 1993 section:

17	<input checked="" type="checkbox"/>	18	<input type="checkbox"/>	22	<input type="checkbox"/>	22A	<input type="checkbox"/>
				Supplemental Number:			
				Current contract date:			
				Current contract expiry date:			

## 1.4 Applicant status:

Public Service Operator <input type="checkbox"/>	Public service contract start date:	
	Public service contract end date:	
	Name of funder (e.g. DfT, Local Authority):	
	Does the funder support this application?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Open Access <input checked="" type="checkbox"/>		
Charter Operator <input type="checkbox"/>		

## 1.5 Executive summary of the proposed contract or amendment:

A new open access rail service between Rochdale and London restoring this direct link for the first time in almost a quarter of a century, that will be operated with new build battery electric trains. This fleet will be built in the UK, benefiting the economy, securing jobs and supporting the rail supply chain. The proposed service, comprising six return journeys a day, aims to restore a direct Rochdale-London link via Manchester Victoria which last ran in the year 2000. The trains will run from Rochdale to London Euston, calling at Manchester Victoria, Eccles, Newton-le-Willows and Warrington Bank Quay. The station at Eccles provides connectivity for other parts of the City of Salford, including the fast-growing MediaCity area, via the nearby interchange with Metrolink and services to Newton-le-Willows will deliver greater rail connectivity for St Helens.

It is estimated that this new service would provide c.1.6m people in the Northwest with a convenient and competitively priced direct rail service to London from stations that are closer to them than current options, helping to stimulate a shift in transport mode of choice from coach and car travel to rail.

Furthermore, the new service is expected to have positive benefits for the communities it serves. Both FirstGroup's open access services Lumo and Hull Trains have delivered material economic benefits since launch and the company hopes to have a similar positive effect for Rochdale and areas along the route.

Lumo launched in October 2021 between London, Newcastle and Edinburgh on the East Coast Mainline and are currently in discussions to extend the existing service to and from Glasgow. The Rochdale service would be the company's second route. Lumo's popularity and success has grown over the last two years, thanks to its low fare model and environmental credentials, and has carried around two and a half million passengers since launch. Lumo offers a single class of travel with value-for-money fares offering a range of flexibility; consistent Wi-Fi; and at-seat catering offer. In an independent survey released last month Lumo scored more than 96% customer satisfaction.

Proposed commencement date:	2027
End date:	2037
Date approval or directions wanted by:	Autumn 2024

## 1.6 Industry consultation:

Who carried out the consultation?			
Consultation start date:		Consultation end date:	
Not carried out <input checked="" type="checkbox"/>			

### 1.7 Applicant details

<b>Facility Owner</b> Company: Network Rail Contact name: To be confirmed Job title: Address: Baskerville House, Centenary Square, Birmingham, B1 2ND  Phone: E-mail:	<b>Beneficiary</b> Company: East Coast Trains Limited (North West Services) Contact name: Stuart Jones Job title: Commercial Director Address: 8 <sup>th</sup> Floor The Point, 37 North Wharf Road, London W2 1AF  Phone: [REDACTED] E-mail: [REDACTED]
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**1.7 Date of application to ORR:** 16/05/2024

### 1.8 Checklist of documents attached to the application form:

- Proposed new contract (S17 or S18) or supplemental agreement (S22 or S22A)
- Marked up Schedule 5 (where applicable)
- Marked up comparison to model contract (where applicable)
- All consultation correspondence
- Supporting documentation required for competing services (see section 6.2)
- Other supporting documents, side letters or collateral agreements (please list):

Prospectus: Rochdale to London: Lumo's New Route

## 2. Licence and railway safety certificate

### 2.1 Please state whether:

- you intend to operate the services yourself; or
- have them operated on your behalf. 
  - if so, please name the proposed operating company:

### 2.2 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.

## 3. The proposed contract or amendment

**3.1 Application overview:** Please detail 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).

Date of commencement: Principal Change Date in May 2027

End date: The Principal Change Date 2037

The request is made under Section 17 of the Railways Act 1993.

The services that are proposed are as follows:

- Six return trains a day, seven days a week between London Euston and Rochdale, calling at Warrington Bank Quay
- London Euston to Rochdale with journey times at three hours
- Every service will call at Manchester Victoria with the majority of services also calling at Eccles, Newton-le-Willows, and Warrington Bank Quay. Whilst aspiration for consistent stopping pattern, fitting the timetable in alongside other operators has meant the adaption of the stopping pattern where required.

The services will be resourced by modern new build battery electric 125mph rolling stock with performance capabilities comparable to the new Class 803 trains that Lumo have been operating since 2021.

Our proposed timetable will also address gaps in the current rail offer. Specifically:

- Restoring a regular direct train from Rochdale to London
- Provide Salford with improved connectivity to London through Eccles and/or Manchester Victoria
- Enable Newton-le-Willows, and St Helens within 15 minutes, a direct London service

The Lumo proposition is based on a lower cost model than franchised services, which provides excellent value for money for customers. The services will compete directly with coach and road markets. As well as low fares we will offer free WiFi and on-board catering on every service. Our proposition will grow the market for travel between London, the Metropolitan Borough of St. Helens and Greater Manchester, specifically the Salford and Rochdale boroughs, as well as attracting more users to rail.

We are confident that there is sufficient capacity on the route to operate these services.

ECTL is seeking rights that are reasonable and consistent with current LDHS passenger operators on the route, assisting in the process to allocate capacity effectively. As such we are requesting that rights are provided on a fair and equitable basis.

Track access rights are therefore sought on a quantum basis for the six return services on weekday and Saturday, and five return services on a Sunday. Station access rights will also be sought for the stations that the services will call. Depot access will be dependent on the choice of rolling stock, and where required we will apply for the requisite rights.

The proposed contract will be consistent with the current Model Clause form for an Open Access operation with only specific Schedule 5 rights sought for the services described above. The term of 10 years is requested based on the level of investment in rolling stock that will be made.

Our proposed timetables along with our business plan will be submitted to ORR in due course and in any case no later than four weeks from the date of this application.

**3.2 Safety risks:** Please 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).

No safety risks have been identified from this proposal at this stage.

**3.3 Contract duration:** For new agreements or extensions to existing agreements, please provide justification for the proposed duration and, if more than 5 years, with reference to the [Railways \(Access, Management and Licensing\) Regulations 2016](#).

10 years on the basis of new trains.

**3.4 Terms not agreed with the facility owner (for applications under sections 17 or 22A only):**

Please explain any areas of the application which have ***not*** been agreed, the reasons for the failure to agree and the reasons for seeking these provisions.

ECTL is seeking quantum rights for six return services on weekdays and Saturday, and five return services on a Sunday, between Rochdale and London Euston. It should be noted that the first Up service of the day and last Down service of the day will terminate at Manchester Victoria.

Whilst journey times are key to our customer and commercial proposition, for the avoidance of doubt, we are not seeking protection. We have identified paths that will deliver a reasonable journey time consistent with other LDHS operators on the Warrington Bank Quay to London Euston route.

Terms have not been agreed with Network Rail in respect of this application. This is due to the need to accelerate this application in receipt of the letter dated 8<sup>th</sup> May 2024 from Network Rail that has requested all access rights that could interact with ECML to be submitted by 20<sup>th</sup> May 2024. Whilst ECTL won't serve the ECML there is interaction between the ECML and WCML, with some operators having services interacting with both lines.

We expect to be able to work with Network Rail through the process to determine rights for services on the route and with capacity and paths confirmed we will be able to reach agreement with Network Rail.

We will continue to work collaboratively with Network Rail throughout the rights process on the detail.

**3.5 Bespoke provisions (departures from ORR's model access contracts)**

Does the proposed contract include any departures from ORR's model access contract:

Yes

No

If yes, please set out and explain any:

- areas where the drafting of the application changes ORR's published template access contracts (as appropriate, cross-referencing to the answers below). Please also explain why these departures have been made.

- 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 access contracts, including the financial implications (e.g. establishment of an access charge supplement or rebate).

- new processes (e.g. a self-modification provision) which have been added. Please also demonstrate fully how this new process is robust and complete.

**3.6 Consolidated contract**

For amendments to existing contracts, is the version of the consolidated contract on our [website](#) fully up to date? If not, please explain why not.

## 4. The impacts of the proposal

**4.1 Benefits:** please set out what specific benefits the proposal will achieve. Please describe the benefits to passengers and any impact on other operators, including freight operators.

Currently Rochdale with a population of over 200,000 has no direct service to London. Our application would bring in step change to this area with regular direct trains to London. The benefit that a direct service can bring to a region is significant. Hull Trains has had a material impact on the Hull economy, with £250m economic benefit to date.

The operation will enable greater connectivity at Manchester Victoria for communities North of Manchester city.

We have identified one of the leading growth areas in Manchester, Salford, has no direct service to London, and would serve this market with Eccles station, that is minutes from Eccles Interchange with the metro. Our aspiration would be to serve Salford Central but platforming restrictions currently prevent through services stopping.

Newton-le-Willows and St Helens have no direct service to London. We believe serving Newton-le-Willows will be of benefit not only to the immediate town, but also to the 100,000 plus population of St Helens a 15-minute drive away. Our application will enable these markets to have direct connectivity with London and enable modal shift from car and coach.

The operation will be served with new trains and these will be built in the UK, a boost to the economy, supporting jobs and the rail supply chain. The new trains will be 125mph electric rolling stock, based on a 5-car train formation that can operate in multiple formation. The trains will have performance characteristics that will as a minimum match the new IEP Class 803 rolling stock that we use on Lumo on the ECML.

Lumo has developed a new business model for rail based on a single travel class. Our unique operating model has enabled us to have an efficient operation that results in value fares for the customer. The key features of our customer proposition include:

- Low fares;
- Simplified ticketing and convenient ticket purchase options;
- Comfortable on-train environment with state of the art new build 125mph intercity electric trains;
- Free WiFi for all customers; and
- On board catering services.
- Great service provided by customer facing on train staff

No additional investment in the WCML infrastructure is required, and as our proposals will fit on the available WCML capacity alongside the DfT specified service levels there will not be any dilution of the investment made by the Secretary of State and Network Rail in the route.

In addition to the direct benefits set out above there are a number of wider benefits delivered through this application. This includes:

- Environmental - a very significant reduction in carbon emissions per passenger journey;
- Job creation - within the new business, the supply chain and the wider economy;
- Growth in the tourism economies within the destinations served;
- Safety benefits; and
- Road journey time benefits from decongestion.

**4.2 Capacity:** How have you satisfied yourself that there is enough network capacity for the services in the proposal? Please include details on all relevant capacity considerations, including but not limited to track, platform availability, and power supply traction.

We are confident that there is sufficient capacity on the WCML for our proposed services from 2027 alongside the current LDHS operators as well as the proposed Grand Union Trains service to Stirling and the additional Avanti West Coast Liverpool – London Euston service. Our analysis has concluded that the six return services can fit.

**4.3 Performance:** What is the impact on network performance? Please outline your assurance process that shows that any performance risk is tolerable in comparison to the benefits of the application. Please explain any risk mitigations. Please attach any associated evidence to support your case.

Performance risks have not been modelled at this stage. The service will be operated by new trains and the evidence from Lumo and Hull Trains who have both implemented new trains have shown strong reliability.

**4.4 Maintenance and renewals:** Are there any implications for the facility owner's maintenance and renewal activities?

No

## 5. The expression of access rights

**5.1 Changes to rights:** please provide full descriptions of any new rights required, as compared to the previous contract (in the case of an amendment). Please attach a fully marked-up version or document comparison of any tables in Schedule 5 which are being modified as a result of this application.

Not applicable

**5.2 Flexing rights:** Please explain any limitations on the facility owner's flexing rights in the proposal and the rationale for such limitations.

Not applicable

**5.3 Specified equipment:** Please explain any changes to specified equipment (rolling stock). Has 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.

The specified equipment will be of a new class and subject to the usual NR vehicle and route acceptance processes.

**5.4 Contractual obligations:** Are the proposed services necessary to fulfil obligations under a public service contract? For publicly contracted operators seeking additional access rights, we will expect to see evidence of funder support for the specific rights and of operators' intent and ability to operate the new services.

Not applicable



**5.5 Public funding:** Other than the DfT, Welsh Government or Transport Scotland, are the proposed services subject to financial support from central or local government including PTEs. If so, please give details.

Not applicable

**5.6 Long Term Planning Process:** Is the Long Term Planning Process (or similar devolved authority or regional service delivery project) relevant to this application? If so, please explain how the proposed rights are consistent or inconsistent with this.

Not applicable and not known.

## 6. Competing passenger services:

We would expect to apply the 'not primarily abstractive' test to:

- (i) a new open access service which would compete with franchised services and so impact on the public sector funder's budget;
- (ii) a new franchised service which would compete with an existing franchised service, where we would expect to focus the test on areas where the competing franchised services are operated on behalf of different funders or where for some other reason there are particular concerns over the impact on a funder's budget; and
- (iii) a new service, which might be open access or franchised, which would compete with an existing open access service and which, if it caused the existing open access operator to withdraw from the market, could reduce overall competition on the network.

**6.1** Please state if your application is for a competing passenger service, and if so please describe the nature of the competition:

We believe that for all but one station (Warrington Bank Quay) that the application does not compete with other services and significantly grows the market. The only overlap is with Avanti West Coast, where there is a Warrington Bank Quay to Euston service. As Lumo has demonstrated on the ECML, the ability to segment the market has helped other operators grow.

**6.2** For competing services, please also confirm that you have attached as part of your submission to ORR the following:

- Business plan, including details of:
  - forecasts of passenger traffic and revenues, including forecast methodology;
  - pricing strategies;
  - ticketing arrangements;
  - rolling stock specifications (e.g. load factor, number of seats, wagon configuration);
  - marketing strategy;
  - estimated elasticities of the services (e.g. price elasticity, elasticity with respect to quality characteristics of the services).
- Demand forecasting (including associated spreadsheet models) demonstrating modelled generation : abstraction ratio.
- Indicative timetables, including associated .spg files

## 7. Incentives



**7.1 Train operator performance:** please describe any planned performance improvement initiatives and/or enhancement projects associated with the operation of the proposed services aimed at improving operator performance.

The new build trains are expected to provide reliable performance, as seen with our 803 fleet on ECML.

**7.2 Facility owner performance:** please describe any planned performance improvement initiatives and/or enhancement projects associated with the operation of the proposed services aimed at improving the facility owner's performance.

The new rolling stock will have on board pantograph based monitoring equipment and forward facing CCTV which will be made available to Network Rail.

**7.3 Monitoring of services:** Will all proposed services be monitored for performance throughout their journey? If not, please explain.

Monitoring of services will be undertaken fully in line with industry practices and ORR requirements.

**7.4 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.

There is no intention to alter the model clause performance regimes.

## 8. Enhancement

**8.1 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).

The rights sought do not require additional enhancements above those already committed.

**8.2 Enhancement charges:** please confirm that the arrangements for the funding of any network enhancements are consistent with the [investment framework](#), and summarise the level and duration of payments, and the assumed rate of return.

None

## 9. Other

**9.1 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). Where the application is being made in parallel with any other application from the same operator, please ensure the applications are consistent with one another. Where the application relies on another operator relinquishing access rights, please provide evidence that this process has been completed.

Applications relating to station access and depot access will also be made.

**9.2 Side letters and collateral agreements:** please 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.

Details of ECTL business plan, related financial information, side letters and other supporting information will be supplied to ORR on a commercially confidential basis in due course and not later than four weeks after the date of this application.

**9.3 Confidential redactions:** please list any information that you have redacted from any documentation sent to consultees. If there has been no pre-application consultation, please list any information you want us to exclude from publication. Please provide full reasons for any redactions.

Any financial information or third-party information that is marked confidential will therefore be treated as such and will not be included in any industry consultation process.

## 10. Pre-application consultation

### 10.1 The consultation:

If consultation has not been carried out, explain why not. If it has, please list the consultees.

No pre-application consultation has taken place.

Whilst ECTL's proposals are at a relatively advanced stage, our original plan had been to apply for these rights by the Summer of 2024. However, the letter from NR on 8<sup>th</sup> May 2024 setting out the timescales for reviewing and determining on access rights for the ECML has led us to accelerate our application. We also wanted to ensure that sufficient capacity and paths were available for our service proposals taking account of the wider effects of the ECML ESG. Given these factors we have therefore not been able to undertake extensive pre-application consultation. However, initial discussions have taken place with industry stakeholders including:

- Network Rail (Exec level)
- Department for Transport (Open Access team)

We intend to engage, through both NR and directly, with industry colleagues following the publication of this application and the commencement of the NR led industry consultation.

Who conducted the consultation?

List all consultees who responded and include their responses and any associated documentation or correspondence between the parties.

**10.2 Resolved issues:** please explain any issues raised by consultees which have been resolved.

Not applicable

**10.3 Unresolved issues:** Please explain any issues raised by consultees which have ***not*** been satisfactorily resolved and why you think these issues should not stop ORR approving the application.

Not applicable

**10.4 Subsequent Changes:** Have any changes been made to the proposal following consultation?

Not applicable

## 11. 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.*

**For agreed applications under section 18 or 22, Network Rail should complete the information below. For disputed applications under section 17 or 22A, the beneficiary should complete it.**

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

Signed [Redacted].....

Date 16 May 2024

Name (in caps) STUART JONES

Job title COMMERCIAL DIRECTOR

For (company) East Coast Trains Limited

## 12. Submission

**12.1 What to send:** please supply the application form, the proposed contract or amendment and, where possible, any other supporting information, in electronic form by e-mail, **in plain Microsoft Word or Open Document Text format** (i.e. excluding any macros, auto-para or page numbering, or other auto-formatting).

### 12.2 Where to send it:

Email: [track.access@orr.gov.uk](mailto:track.access@orr.gov.uk)