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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:

Virgin Management Limited (or such other Virgin Group entity as shall be confirmed in due course)

1.2 Facility owner details:

Network Rail:	<input 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 checked="" 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:

This application is for the operation of four new Open Access Service Groups that will provide new high quality passenger train services between London Euston and:

- Preston/Rochdale via Manchester (14 daily services Monday - Sunday);
- Liverpool Lime Street (30 daily services Monday to Sunday);
- Birmingham New Street (16 daily services Monday to Sunday); and,
- Glasgow Central (8 daily services Monday to Sunday).

These train services are in direct response to strong stakeholder and passenger aspirations for quality and dependable train services on the West Coast Mainline (WCML); providing customers with choice, improved service frequencies and new direct connectivity.

This proposal seeks to support the Governments 'Levelling Up' initiative through providing new rail connectivity opportunities from several key locations in the North-West to London. These new locations include linking Bolton, Rochdale and the TfGM operated Park and Ride Station at Horwich directly to London. In our proposal we shall also work closely with Network Rail and TfGM as we seek to link the proposed new TfGM station at Golborne with our highspeed services between Glasgow and London. Our proposal will also create new employment opportunities in the North-West.

Proposed commencement date:	December 2025
End date:	December 2035
Date approval or directions wanted by:	Earliest Opportunity

1.6 Industry consultation:

Who carried out the consultation?	Network Rail		
Consultation start date:	In parallel to this application	Consultation end date:	In parallel to this application

Not carried out **1.7 Applicant details**

Facility Owner Company: Network Rail Contact name: Gianmaria Cutrupi Job title: Aspirant Open Access Operators Manager Address: Waterloo General Office, London, SE1 8SW Phone: [REDACTED] E-mail: [REDACTED]	Company: Virgin Management Limited Contact name: Philip Whittingham Job title: Consultant Address: 66 Porchester Road London W2 6ET E-mail: [REDACTED]
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1.7 Date of application to ORR:

17th May 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):

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: [REDACTED]

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.

Virgin is working towards obtaining a Passenger Operating Licence and a valid safety certificate in parallel with the open access application process. The Virgin leadership team has experience and capability of successfully achieving rail operator safety certification.

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).

Services

Virgin is applying for a new Track Access Contract to operate services between London Euston and the Midlands, North-West and Scotland. The passenger services shall be allocated into four separate Service Groups:

- Preston/Rochdale via Manchester.
- Liverpool Lime Street.
- Birmingham New Street.
- Glasgow Central.

The proposal uses the 'Model Clause' Track Access Contract and does not currently seek to alter the terms.

The quantum of services is proposed as follows:

Service Group VT1 - London Euston and Preston/Rochdale (Via Manchester).

High quality passenger train services shall operate Monday – Sunday at a frequency of 5 daily services each way between London and Preston and 2 daily services each way between London and Rochdale. All services will call at the following stations: Nuneaton, Stoke-on-Trent, Stockport and Manchester Piccadilly. Preston bound services will then call at Bolton, Horwich Parkway, Chorley and Preston; Rochdale services will call at Manchester Victoria and Rochdale.

The proposed indicative timetable is shown in the table below for Up and Down directions respectively.

Preston	05:40		09:40	12:40	14:40		17:40
Bolton	06:15		10:15	13:15	15:15		18:15
Rochdale		08:09				16:09	
Manchester Victoria		08:24				16:24	
Manchester Piccadilly	06:39	08:39	10:39	13:39	15:39	16:39	18:39
Stockport	06:48	08:48	10:48	13:48	15:48	16:48	18:48
Stoke On Trent	07:15	09:15	11:15	14:15	16:15	17:15	19:15
Nuneaton	07:49	09:49	11:49	14:49	16:49	17:49	19:49
London Euston	08:57	10:57	12:57	15:57	17:57	18:57	20:57
London Euston	06:37	08:37	09:37	12:37	15:37	18:37	20:37
Nuneaton	07:34	09:34	10:34	13:34	16:34	19:34	21:34
Stoke On Trent	08:08	10:08	11:08	14:08	17:08	20:08	22:08
Stockport	08:44	10:44	11:44	14:44	17:44	20:44	22:44
Manchester Piccadilly	08:59	10:59	11:59	14:59	17:59	20:59	22:59
Manchester Victoria		11:14					23:14
Rochdale		11:29					23:29
Bolton	09:17		12:17	15:17	18:17	21:17	
Preston	09:45		12:45	15:45	18:45	21:45	

Service Group VT2 - London Euston and Liverpool Lime Street.

High quality passenger train services shall operate at a frequency of 15 daily services each way Monday - Sunday, serving stations at: Tamworth, Lichfield Trent Valley, Runcorn, Liverpool South Parkway and Liverpool Lime Street.

The proposed indicative timetable is shown in the table below for Up and Down directions respectively.

Liverpool Lime Street	06:13	07:13	08:13	09:13	10:13	11:13	12:13	13:13	14:13	15:13	16:13	17:13	18:13	19:13	20:13
Liverpool South Parkway	06:24	07:24	08:24	09:24	10:24	11:24	12:24	13:24	14:24	15:24	16:24	17:24	18:24	19:24	20:24
Runcorn	06:30	07:30	08:30	09:30	10:30	11:30	12:30	13:30	14:30	15:30	16:30	17:30	18:30	19:30	20:30
Lichfield Trent Valley	07:15	08:15	09:15	10:15	11:15	12:15	13:15	14:15	15:15	16:15	17:15	18:15	19:15	20:15	21:15
Tamworth	07:22	08:22	09:22	10:22	11:22	12:22	13:22	14:22	15:22	16:22	17:22	18:22	19:22	20:22	21:22
London Euston	08:30	09:30	10:30	11:30	12:30	13:30	14:30	15:30	16:30	17:30	18:30	19:30	20:30	21:30	22:30
London Euston	06:07	07:07	08:07	09:07	10:07	11:07	12:07	13:07	14:07	15:07	16:07	17:07	18:07	19:07	20:07
Tamworth	07:14	08:14	09:14	10:14	11:14	12:14	13:14	14:14	15:14	16:14	17:14	18:14	19:14	20:14	21:14
Lichfield Trent Valley	07:22	08:22	09:22	10:22	11:22	12:22	13:22	14:22	15:22	16:22	17:22	18:22	19:22	20:22	21:22
Runcorn	08:04	09:04	10:04	11:04	12:04	13:04	14:04	15:04	16:04	17:04	18:04	19:04	20:04	21:04	22:04
Liverpool South Parkway	08:11	09:11	10:11	11:11	12:11	13:11	14:11	15:11	16:11	17:11	18:11	19:11	20:11	21:11	22:11
Liverpool Lime Street	08:22	09:22	10:22	11:22	12:22	13:22	14:22	15:22	16:22	17:22	18:22	19:22	20:22	21:22	22:22

Service Group VT3 – London Euston and Birmingham New Street.

High quality passenger train services shall operate at a frequency of 16 daily services Monday - Sunday, serving stations at: Coventry and Birmingham International.

The proposed indicative timetable is shown in the table below for Up and Down directions respectively.

Birmingham New Street	07:17	09:17	11:17	13:17	15:17	16:17	18:17	19:17	21:17
Birmingham International	07:28	09:28	11:28	13:28	15:28	16:28	18:28	19:28	21:28
Coventry	07:40	09:40	11:40	13:40	15:40	16:40	18:40	19:40	21:40
London Euston	08:42	10:42	12:42	14:42	16:42	17:42	19:42	20:42	22:42
London Euston	10:10	12:10	14:10	15:10	20:10	21:10	22:10		
Coventry	11:06	13:06	15:06	16:06	21:06	22:06	23:06		
Birmingham International	11:17	13:17	15:17	16:17	21:17	22:17	23:17		
Birmingham New Street	11:27	13:27	15:27	16:27	21:27	22:27	23:27		

Service Group VT4 – London Euston and Glasgow Central.

High quality passenger train services shall operate at a frequency of 4 daily services each way Monday - Sunday, serving stations at: Golborne, Preston, Carlisle, Motherwell, Lockerbie and Glasgow Central.

Due to the mandated industry deadline of 20th May 2024, the timetable to support these services is still under development and we have agreed with the team at Network Rail that this will follow in June 2024.

The timetables to support the four service groups above have/are being developed and validated based on the June 2023 timetable using industry recognised timetable development and validation tool ATTUne to demonstrate their credibility.

Consideration has also been given to our understanding that following paths are not currently being fully utilised by the respective operator:

- Avanti West Coast: Euston to Liverpool.
- Avanti West Coast: Euston to Birmingham New Street.
- Northern: via the Castlefield Corridor.
- TransPennine Express: via the Castlefield Corridor.

This application is made under Section 17 of the Railways Act 1993. Virgin has commenced active and constructive discussions with Network Rail but agreement enabling the use of Section 18 has not yet been reached. Virgin is keen to progress this application expeditiously, whilst Network Rail continues its own internal assessment of our proposals.

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).

Virgin has not identified any safety risks outside those associated with the normal operation of railway services.

Importantly, Virgin has an excellent track record in operating high performing and reliable train services safely. Moreover, the train service operations shall be managed by a leadership team which has vast experience in mobilising and operating passenger train services under its associated Safety Management System and Competency Management Systems.

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](#).

Virgin seeks an initial 10-year Track Access agreement from 2025 to 2035.

Virgin intends to secure extensions beyond the initial 10-year period (to a potential total of 20 years) through working with local partner bodies and communities along the route to develop proposals to invest in the rail infrastructure (network capability) and introduce new build 125mph capable rolling stock.

Due to the ORR requirement to submit this Form P by 20th May, not all of our plans are finalised. However, we intend to put forward detailed investment plans to support this longer contract term. Virgin is looking to invest in the development of various proposals that if proven to be deliverable will improve:

1. The customer proposition – increasing choice and competition and delivering an outstanding service for customers
2. The retailing, reservations and ticketing experience – by building on Virgin’s heritage in rail including what it is currently doing with Virgin Trains Ticketing – as it calls for change to unlock an improved rail retail model that better serves customers.
3. Train performance – by securing rolling stock which is fit for purpose and identifying and contributing to schemes that improve performance.
4. Environmental impacts – procuring auto stop/start technology and bio-diesel options
5. Engagement with local stakeholders – working closely with consumer groups and local government to deliver what travellers really want.
6. Capacity on the network – by working in close collaboration with Network Rail and meeting demand by providing a service on underused paths.

In addition to these improvements, in the long term and subject to Network Rail’s support, Virgin will work with our preferred ROSCO and business partners to introduce new-build high-quality electric rolling stock to replace the 22x fleet on electrified routes once power upgrades have been delivered on the route.

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.

Virgin’s application is made pursuant to ORR’s recently announced 20 May 2024 deadline for applications for new/amended track access rights in the December 2025 timetable. ORR and Network Rail have acknowledged that this deadline (and limited advance notification thereof) may result in some Track Access applications being submitted in parallel with industry consultations and being less developed than under normal circumstances.

Accordingly, at the date of this application, Virgin’s engagement with the facility owner, Network Rail, remains at an early stage.

Our proposal seeks to utilise a mixture of available capacity; both 'new' paths and 'spare' paths that are not currently being utilised by the relevant access beneficiary. Using an industry recognised timetable development tool ATTUone, a 'first draft' standard hour of the timetable, against the June 2023 timetable, has been developed as a base. This standard hour is undergoing further refinement for all remaining hours of the day and shall be completed in the coming weeks. We will continue to work closely with Network Rail to evolve and validate our train service aspirations and passenger timetable. Once completed, the proposed paths identified shall be taken forward for internal Network Rail Capacity Assessment and used to undertake necessary Performance Modelling activities.

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.

Noting the approach to the 20th May deadline and parallel industry consultations, Virgin's comments, proposed departures (if any) from ORR's model access contract and confirmation of which Virgin Group entity will enter into that contract will follow in due course.

- 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).

As above.

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

As above.

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.

As above.

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.

As operator of the InterCity West Coast franchise for more than 20 years, Virgin Trains set the bar for UK rail operators with unrivalled customer satisfaction, industry-leading innovation and a highly engaged workforce.

Since Virgin Trains ceased operations in 2019, service standards and performance on the line have been in decline and several rail users and stakeholders have called for the return of Virgin to the West Coast Mainline and the wider UK rail network. This application responds to those calls with the proposed reintroduction of Virgin operated services between London Euston and key destinations in the Midlands, North-West and Scotland.

Key benefits of our proposals include:

- Providing customers with choice and a compelling alternative to the franchise operator:
 - *For more than 50 years, Virgin has been innovating and disrupting the status quo in industries which are ripe for change – Virgin can meet passenger demand and give them a service which they deserve and can be proud of.*
 - *Open Access increases consumer choice and competition both of which Virgin has always supported.*
 - *As an open access operator, Virgin would have the flexibility to shape the future of fares and ticketing, setting the business as the consumer champion – for instance, in just 12 months, Virgin Trains Ticketing (Virgin's ticketing app) has saved passengers £700,000 by offering them the option to pay for all or part of their ticket using Virgin Points and by providing split ticket options.*
- Re-establishing a much needed 'high bar' in customer service:
 - *Best in class customer experience and digitalisation of the operation (incl on board, ticketing, loyalty and 1st/last mile), particularly during disruption.*
 - *Focussed, motivated, caring and dedicated workforce putting customers first.*
- Accelerating the ongoing recovery in passenger confidence/volumes in rail on the West Coast:
 - *Driving recovery of latent (pre-pandemic and strike action) demand*
 - *Accelerating long-term growth.*
- Reducing costs for the U.K taxpayer by:
 - *Helping to return the wider routes served to profitability.*
 - *Creating potential cost savings for the franchise operator by releasing paths (and associated resources) it is unable to operate.*
- Introducing new ways of working with Network Rail:
 - *Exploring a new operational model in conjunction with Network Rail – outsourcing controls and services to avoid duplication wherever possible and to ensure efficient operations and timely information.*
 - *Using the new model with Network Rail to offer customers better information during disruption with more certainty on options available including enhanced compensation levels for significant delays.*
- Supporting local communities:
 - *Virgin will work hard to understand what passengers and local communities want.*
 - *We will continue to consult with local Mayors and other stakeholders over the operational specifications and engagement with and support of local communities.*
- Creating more than 150 new and permanent full-time jobs
 - *With further associated benefits to local supply chains, including maintenance, servicing and provision of catering supplies and support.*
- Providing new North-West rail connectivity:
 - *Virgin services will directly link Horwich Parkway and Bolton with London, reducing journey times by an estimated 20 minutes.*

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.

Virgin has developed a 'draft' standard timetable hour to support its application using the industry recognised ATTUne validation tools. However, it is recognised that a more detailed timetable is required. Whilst not ready for inclusion by the 20th May deadline, this is currently being developed by industry timetabling and performance specialists using recognised industry planning tools. This planning process will include examination of platform capacity at all locations and the required performance modelling. Once completed, Virgin's proposed timetable will be made available for industry review and feedback.

Virgin initially intends to operate the paths with diesel powered rolling stock, given Network Rail's known concerns about electric traction supply constraints on the southern end of the West Coast Main Line. The rolling stock Virgin shall seek to deploy will offer equivalent, or greater, performance characteristics than a Class 22x DMU.

Virgin is satisfied that capacity exists at proposed maintenance facilities on route to refuel and maintain its fleet as required, following discussions with potential providers.

Longer term, when the infrastructure allows, Virgin will seek to develop and introduce a new electric fleet. Virgin is already in discussions with its preferred ROSCO and train builder regarding such 'new' fleet procurement.

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.

Virgin will undertake detailed performance modelling to validate the assumptions made in 4.2 above and this information will be available to support the application in due course.

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

The additional route tonnage created by these proposed services is minor in relation to that already operating on the routes in question. The rolling stock deployed shall be no greater than RA5 in axle weight.

Virgin is confident that its operating times will not impinge on the facility owner's time for maintenance and renewal activity. Should this position change, Virgin will prepare plans for the use of alternative routes when maintenance and renewal activity is scheduled along our proposed route.

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.

Virgin is seeking new rights to operate Open Access passenger services between London Euston and:

- **Service Group VT1 – Preston/Rochdale** (via Manchester).
Calling at: Nuneaton, Stoke-on-Trent, Stockport and Manchester Piccadilly, and then Bolton, Horwich Parkway, Chorley and Preston (in both Directions) for trains to Preston and Manchester Victoria and Rochdale (in both directions) for trains to Rochdale.
- **Service Group VT2 - Liverpool Lime Street.**
Calling at: Tamworth, Lichfield Trent Valley, Runcorn, Liverpool South Parkway and Liverpool Lime Street (in both Directions).
- **Service Group VT3 - Birmingham New Street.**
Calling at: Coventry and Birmingham International (in both Directions).
- **Service Group VT4 - Glasgow Central.**
Calling at: Golborne, Preston, Carlisle, Motherwell, and Lockerbie (in both Directions)

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

Virgin will provide direct, high-speed and high-quality intercity passenger services to several destinations between the Midlands, North-West, Scotland and London Euston. Consequently, competitive journey times are anticipated to be an important factor for consumers when making journey choices between transport modes and between alternative train operators' services.

Whilst Virgin is not seeking to protect its journey time in this application, it is an important factor that needs to be taken into consideration.

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.

Virgin is proposing to utilise Class 22x rolling stock, with no less capability or performance characteristics than the Class 222 and capable of operating at the MU speeds being implemented on the West Coast.

The Specified Equipment finally selected shall be fully route cleared along the main routes operated, which shall include selected diversionary routes.

Virgin's fleet is expected to be serviced and maintained at depots strategically located along the route. No 'out-based' stabling is currently envisaged.

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.

n/a

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.

n/a

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.

Virgin's proposed train services align with a range of long-term industry and combined/local authority and Sub-National Transport body aspirations, and can deliver some of these from 2025, earlier than hoped for by their proponents, including:

- **Network Rail** - West Coast South Strategic Advice Report (issued August 2023) emphasises the importance of supporting economic growth and improving direct connectivity with the North West. The report highlights the strategic objective to continually improve rail services that promote modal shift.
- **Midlands Connect – Midlands Rail Hub** – aspirations to improve line speeds between stations in the Midlands offering the potential to reduce end-to-end journey times.
- **West Midlands Rail Executive (WMRE) – Rail Investment Strategy 2022-2050.**
- **Warwickshire County Council** – Warwickshire's Transport Plan states that 'supporting economic growth' is the highest priority for transport.
- **North Warwickshire Borough Council** - Local Plan advocating for increasing car parking provision at Nuneaton station due to continued growth in patronage.

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:

Some of Virgin's proposed services would compete with franchised services currently owned but not fully utilised by Avanti West Coast, and we therefore anticipate that the NPA test will be applied.

In applying the NPA test, it is imperative that the ORR takes account of the extent of post-pandemic recovery on the proposed routes. Whilst other markets with similar characteristics have achieved full recovery, the proposed routes continue to significantly lag 2019 passenger levels, indicating considerable headroom for growth/recovery not captured by traditional industry modelling approaches.

Therefore, in addition to its normal assessments, we consider it essential that the ORR evaluation process considers and reflects:

- The high potential for growth on these routes.
- The unique capabilities of Virgin to unlock said growth, given (inter-alia): its established and trusted brand, with a 20+ year track record of industry-leading growth and customer satisfaction as the operator of the Intercity West Coast franchise; the existing base of loyal Virgin customers already buying rail tickets with Virgin Trains Ticketing (who have already saved £700,000 on their rail fares) and earning & redeeming Virgin Points on their journeys. On top of this, with its Virgin Red loyalty programme, Virgin can reach millions of people who may not otherwise consider travelling by rail by incentivising them to use the railway.
- The best interests of the travelling public, who deserve the choice of a quality service and the reintroduction of services / frequencies no longer operated by the franchise operator.
- The potential cost savings to the U.K Taxpayer of the franchise operator releasing paths (and associated resources) it is unable to operate.
- The aspirations and priorities of regional authorities and transport bodies.

The Virgin team welcomes further discussions on the above during the evaluation of this application.

Whilst not ready for inclusion by the 20th May deadline, Virgin is preparing the supporting documentation listed under section 6.2 (below) and this will follow in due course.

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 Virgin operation shall have an extremely experienced rail senior leadership team based at a location on the route (yet to be decided). A satellite management structure will provide daily face-to-face management and support to all Virgin traincrew and other onboard staff. A dedicated engineering function will provide 24hr support to ensure the fleet is turned out fault free and any in-service failures shall be promptly resolved. Virgin shall use the new fleet performance metric Miles per 701D code (Mp701D) to monitor fleet performance; this shall sit alongside a comprehensive and detailed Train Service Agreement.

General operations shall be managed by a Railway Control team overseeing on-the-day traincrew diagrams, managing general operations and coordinating operations in times of disruption. Virgin shall employ sufficient traincrew to act as 'Golden' spares that shall be dedicated to returning the train service back to near normal as quickly and efficiently as possible post an incident. Virgin will also have a clear and deliverable overall Customer Experience strategy and a satisfaction measurement

metric (e.g. NAS) that will closely monitor CX performance onboard trains, online ticket purchasing, call centres and staff at stations served.

As well benefitting from its own experienced senior leadership team, Virgin will also have the advantage of calling upon the support of Alstom as the OEM and current maintainer of the proposed Specified Equipment.

As part of the preparation of the Specified Equipment for the proposed operation, Virgin will work closely with Alstom engineering and maintenance colleagues implement any required performance improvements.

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.

All traincrew will be trained on the core routes alongside appropriate diversionary routes to enable the facility owner to divert trains without concern about route knowledge in the event of disruption.

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

Yes

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.

None proposed.

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).

Network Rail's Measurement Train activities.

Virgin shall work with Network Rail Engineering teams to evaluate the installation of remote monitoring and recording equipment to Virgin's train fleet; technical equipment installed shall support Network Rail's Infrastructure Measurement Train Activities.

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.

Pending understanding of extent of required enhancements and the associated costs.

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.

None

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.

Virgin expects to comply with this requirement post submission as contemplated by the ORR/NR letter requiring submission by 20th May.

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.

Virgin expects to comply with this requirement post submission as contemplated by the ORR/NR letter requiring submission by 20th May.

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.

This application has been prepared before any consultation has taken place. The application process has been expedited in accordance with the ORR letter of the 24th April 2024 -Competing and/or complex track access applications for December 2024, May 2025 and December 2025 timetable changes.

Who conducted the consultation?

Network Rail shall be conducting the consultation in parallel with this application.

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

Virgin expects to comply with this requirement in due course

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

Virgin expects to comply with this requirement in due course

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.

Virgin expects to comply with this requirement in due course

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

Virgin expects to comply with this requirement in due course

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 Date 17 May 2024

Name (in caps) IAN WOODS Job title Director

For (company) Virgin Management 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