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20 July 2021

Dear Dan,

East West Rail Phase 2 (EWR-2) – Initial Approach on Track Access Rights

1. During the 2018 Autumn Budget and the December 2020 Spending Review the government reaffirmed its commitment to deliver East West Rail (EWR) to improve the connectivity and unlock the economic potential of the corridor between Cambridge and Oxford. The second phase of this project has now entered its construction phase, with first services currently scheduled for December 2024.
2. As part of the developing wider EWR scheme a decision has been made to designate the programme into Connection Stages for the purposes of delivery and Train Service Specification. The previously named Western section is now to be known as Connection Stage 1 (CS1), with further detail of other connection stages explored later in this letter.
3. To ensure optimal use of existing and future capacity on the network, we ask that the Office of Rail and Road (ORR) allows East West Rail Company (EWR Co) the opportunity to finalise plans for CS1 services before concluding any decision to grant future track access rights to other parties which would conflict with prospective CS1 services.
4. The ORR should note the following measures undertaken by EWR Co and the DfT to mitigate against congestion of network capacity in the delivery of the integrated programme, including:

- a. The CS1 Train Service Specification (TSS)¹ is being constructed using available capacity on the existing network complemented with the brand-new capacity yielded from new rail infrastructure investment between Bicester and Bletchley;
- b. The CS1 TSS also allows for one new freight path in either direction per hour between Oxford and the WCML;
- c. If necessary, the DfT will work with franchises to mitigate risks to CS1 which may emerge from prospective new services or expanded franchises and this includes having a fall back plan of commencing CS1 services between Oxford and Bletchley until the reliability of access onto the WCML can be demonstrated. However, in this case, we would still require track access rights between Bletchley and Milton Keynes in order to allow services to commence once this reliability has been established.

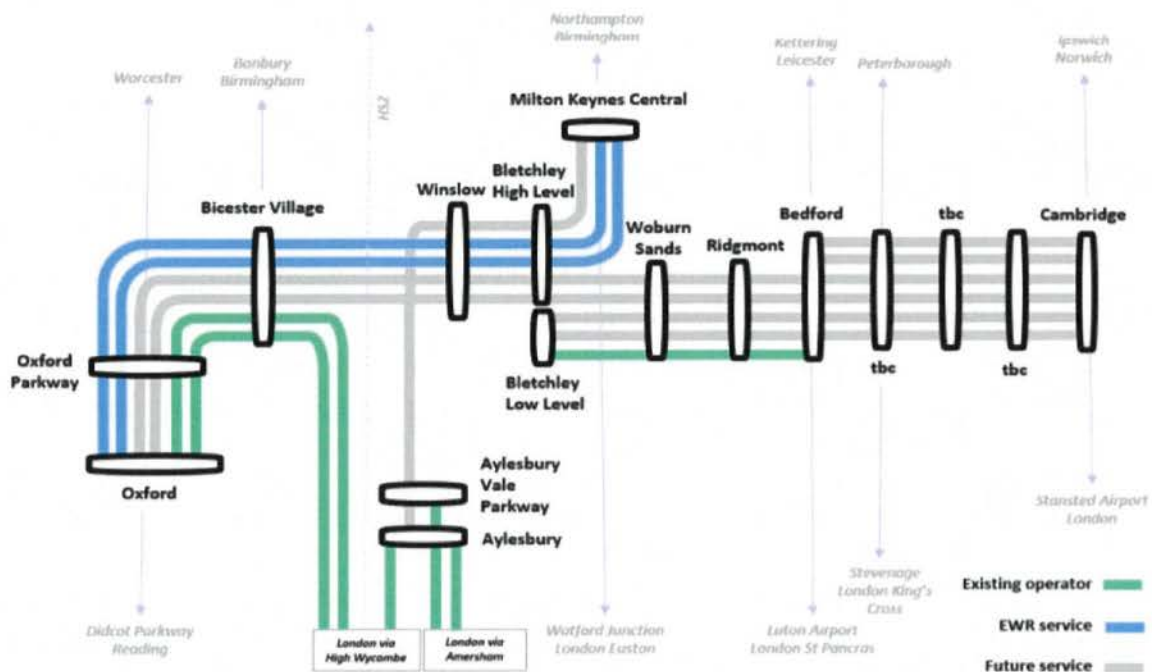


Figure 1 TSS Diagram showing new services to be delivered and alignment with existing services along the corridor for CS1.

5. The Department anticipates future engagement with the ORR for CS2 and 3 as the development of both of these reaches greater maturity.
6. I would like to thank you and your team for the constructive and collaborative discussions we have had to date on the EWR scheme. This approach is essential to ensuring that we can deliver the benefits of EWR in a way which is fair for all the rail industry and its passengers.

¹As set out in the DfT Output Specification v3.3

Background

7. The Cambridge – Oxford corridor is home to 3.3 million people and some of the most productive, successful and fast-growing towns and cities in the UK. Greater connectivity between the cities will enable the corridor to raise its profile on the global stage as a leading knowledge cluster, at the forefront of innovation and research with a highly skilled workforce. As such, EWR will be one of the country's most strategically important rail projects, transforming journeys in one of Europe's most vibrant economic regions, unlocking economic opportunity and driving forward new housing.
8. When complete EWR will provide a direct rail link between Oxford and Cambridge and will join up key towns and cities across the Cambridge – Oxford corridor. EWR is being delivered in three phases, known as Connection Stages:
 - a. EWR-1 was completed on 12 December 2016 and enabled Chiltern Railways to run services from Oxford to London Marylebone via Bicester;
 - b. The EWR 2&3 programmes are now broken down into the following connection stages:
 - i. CS1 – 2tph Oxford to Milton Keynes
 - ii. CS2 – 2tph Oxford to Bedford
 - iii. CS3 – 2 tph Oxford to Cambridge (extension of CS2 services) and 2tph Bletchley to Cambridge
 - c. Services between Aylesbury and Milton Keynes will continue to be explored and developed as CS 2.5 but at this time no firm date is available for likely operation.
 - d. CS1 includes the development of a new station at Winslow and new platforms at Bletchley, with the infrastructure being delivered by the EWR Alliance through Network Rail, with EWR Co acting as client on behalf of the Department for Transport. CS1 services are scheduled to commence from December 2024;
 - e. CS2 is currently being reviewed and modelling work undertaken to understand the level of interventions required along the Marston Vale line to allow optimisation of the TSS between Oxford and Bedford.
 - f. CS3 is in the early stages of development and looks to construct a brand new railway between Bedford and Cambridge, allowing services to run from Oxford through to Cambridge from the late 2020's. The end state model for EWR is yet to be decided.

9. In 2016 the Secretary of State for Transport announced the establishment of a new organisation, EWR Co, to drive forward the delivery and development of EWR. In September 2018 EWR Co was officially established and government reaffirmed its commitment to EWR in the Autumn Budget, allocating £20m for the early development of EWR-3. Government has committed over £1b of funding for the delivery of EWR-2.
10. As you will be aware, the Williams Review is considering a wide range of options for the future of rail bodies and commercial models. Considering this, it is still to be decided what the optimal arrangements are likely to be for who/how the services will operate. In the meantime, available options are being explored.

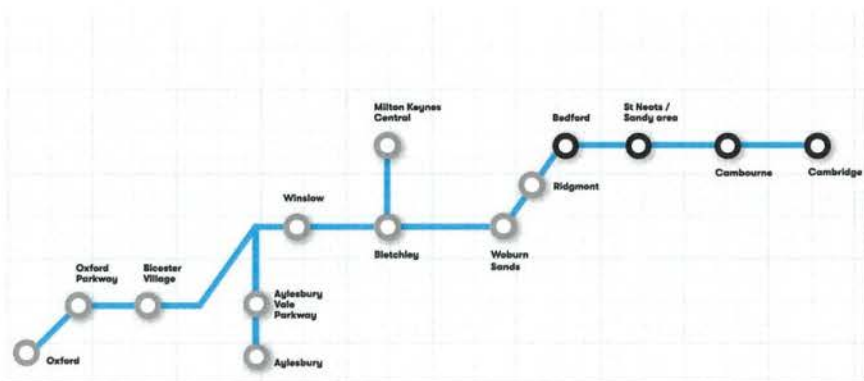


Figure 2 EWR route diagram

What access issues does EWR-2 raise?

11. With CS1 proposed to commence operations from December 2024, this letter focuses on the regulatory regime associated with Access Rights for the future operation of these EWR services.
12. At this stage there is no appointed operator for the CS1 services as defined above, however for the purposes of this proposal we are recognising EWR Co as the 'shadow operator', acting on behalf of a future operator for the DfT.
13. DfT and EWR Co have developed clear assumptions within the scheme business case which we, Network Rail and others, have fully defined in the Full Business case to allow the development and reopening of the railway to take place.
14. DfT has specified to EWR Co the level of service that will be provided through its Output Specification and, whilst the operational model is not yet fixed, expects that the services will be delivered through an operator based on this specification and therefore realise the benefits that are defined within the Business case.

15. Although EWR passenger services will not commence running until December 2024² access rights can be applied for by other operators and granted many years in advance. Therefore, applications made now could affect the EWR operation from Dec 2024.
16. Recognising that the timeframes involved are extended and the principles and process of access rights are a significant time from application and approval we would like to engage with the ORR to commence a wider consultation.
17. We hope that by explaining the CS1 & 2 services and its intended benefits to the ORR and the wider rail industry then EWR will be given the opportunity to bid for track access rights on an equal footing to other prospective bidders on the network. We ask that EWR Co are allowed the opportunity to finalise plans for CS1 & 2 services before ORR conclude any decision to grant future track access rights to other parties which would conflict with prospective CS1 services.
18. The access rights that will be sought for EWR services in due course, once confirmed, will include services on the current national rail infrastructure between Oxford and Milton Keynes/Bedford. However, the TSS is being developed so that existing services will not be impacted by the introduction of CS1 and 2 services.

Train Service Specification

19. The Full Business Case (Dec 2020 for EWR-2 is based on the current Train Service Specification that is outlined within the Output Specification as detailed in Figure 1.
20. The EWR-2 project is providing capacity on the rebuilt section between Gavray Junction and Bletchley High Level to allow the TSS shown in figure 1, along with freight capacity of 1 tph in either direction between Oxford and the WCML. On the fringes of the new section it is assumed that capacity is available to facilitate the TSS. The validation of the TSS is currently being undertaken through an industry Concept Train Plan working group (CTPWG), led by Network Rail, through its role as System Operator.
21. The Department intends that the development of the TSS through the CTPWG will enable the delivery of an integrated, well designed rail service optimised for the wider network. The current programme envisages a phased introduction of services because of the project infrastructure interfaces with HS2, which will see Oxford to Milton Keynes/Bedford introduced in advance of Aylesbury to Milton Keynes.

² Subject to the approved programme of works

Project Benefits

22. DfT and EWR Co published *The Case for East West Rail, Western Section Phase 2* in December 2018³. This report sets out the benefits of EWR-2 and how it meets the government's priorities for transport by facilitating economic growth and new housing and employment opportunities in the Ox-Cam Arc through the provision of improved rail connectivity.
23. The benefits quantified in the report include transport user benefits and some wider economic impacts in line with DfT's transport appraisal guidance (WebTAG)⁴.
24. Most of the quantified benefits in this report relate to the direct transport impacts of the scheme, **the transport user benefits**. These include improved connectivity and journey times for rail users and benefits related to a reduction in travel by car, compared to the future situation without EWR-2. Changes in expected emissions from cars and rail vehicles are also quantified and included in the transport user benefits.
25. **Wider economic impacts**⁵ are additional to the direct transport user benefits. They include improvements in productivity through agglomeration – having the effect of bringing people and businesses closer together through improved connectivity and journey times.
26. The report also outlined that EWR (Phase 2 and the complete programme) is likely to bring other benefits to the corridor although these have not been quantified and many of them relate to estimating changes in land-use because of EWR.

Influencing factors

27. The current project between Bicester and Bedford is the subject to a Transport and Works Act, the order of which was granted in February 2020.
28. As noted above the outcomes of the Williams Review will inform the DfT on the direction of future rail contracting strategy.
29. The EWR project will interface with several current operators across its route including Chiltern Railways, Great Western Railway, Avanti West Coast, Cross Country Trains, West Midlands Trains, Thameslink, Southern, and East Midlands Railway. Current assumptions are that the CS1 and 2 TSS will be implemented without significant changes to existing services.

³ <https://www.gov.uk/government/publications/the-case-for-east-west-rail-western-section-phase-2>

⁴ <https://www.gov.uk/guidance/transport-analysis-guidance-webtag> including Rail Appraisal Unit A1.3 and Wider Economic Impacts Unit

⁵ Described as 'Level 2' impacts in WebTAG, Unit A2.1. Transport user benefits are sometimes described as 'Level 1' impacts.

<https://www.gov.uk/government/publications/webtag-tag-unit-a2-1-wider-economic-impacts-may-2018>

Next Steps

30. Noting the information in this letter on EWR-2 and the benefits to be offered by the project, I would be grateful if you could set out the approach ORR will take when considering future track access applications by other parties relevant to the introduction of CS1 and 2 services.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'David Hughes', with a long horizontal flourish extending to the right.

David Hughes