

# Application to the Office of Rail and Road for a depot access contract, or amendment to a depot access contract under Section 17 or 22A of the Railways Act 1993

This form should be used to apply to the Office of Rail and Road (ORR) for:

- directions under section 17 of the Railways Act 1993 (the Act) for a new depot access contract. Section 17 allows those seeking the right to use a railway facility to apply to ORR direct access if they have failed (for whatever reason) to reach agreement with the facility owner; or
- directions under section 22A of the Railways Act 1993 for an amendment to an
  existing depot access contract. Section 22A allows anyone seeking an
  amendment to an existing depot access contract, which allows more extensive
  use, to apply for a compulsory amendment if they are not able (for whatever
  reason) to reach agreement with the facility owner.

The form sets out the ORR's standard information requirements for considering such applications.

It is very important that the application is made in good time and prospective applicants are strongly advised to read (and, if necessary, take advice on) the procedures which are laid out in the Act, (Section 17 and Schedule 4).

The Stations & Depots Team at the ORR will be happy to discuss prospective applications. Applicants are strongly encouraged to contact the Office at an early stage, preferably <u>before</u> making an application, to discuss their likely requirements.

The team can be contacted by email at <u>StationsandDepots@orr.gov.uk</u>.

A copy of ORR's model depot access contracts and amending agreements can be accessed electronically and downloaded via the ORR website <u>here</u>.

# 1. The application

## 1.1 Name of depot(s) to which the application applies

Temple Mills International Light Maintenance Depot

## 1.2 Title of proposed access contract or amendment

Further discussions are needed

## 1.3 Contact details (Company and named individuals for queries):

Company: VTE Holdings Limited	
Contact individual:	
Job title:	
Address:	
Email:	
Telephone number:	

#### 1.4 Licence and railway safety case

Please state whether the applicant intends to use the depot or whether someone else will use the depot on their behalf.

Please state whether the proposed user of the depot (a) holds a valid train operating licence under section 8 of the Railways Act 1993 or an exemption under section 7, and (b) has an accepted railway safety case under the Railways (Safety Case) Regulations 2000. If the answer to (a) or (b) is no, please state the point which that person has reached in their obtaining of the licence, exemption or railway safety case (as the case may be).

VTE Holdings intends to use the depot for its maintenance requirements under a full TSA with the OEM for its new build very high speed trains. VTE Holdings has held discussions with ORR around the timing of obtaining its operating licence and safety certification which will commence in due course.

# 2. The proposed contract or amendment

#### 2.1 Executive Summary

Please provide an executive summary of the proposed contract or amendment. This should cover the depot services, the commercial terms, and the applicant's reasons for seeking the contract in the terms proposed. The summary in this section should also explain (here or by cross-reference to the answers in the sections below):

- where there is an existing agreement in respect of the services in question, any differences between the existing agreement and the proposed contract;
- any aspects in which the proposed contract/amendment contains bespoke provisions departing from the published model depot access contract; and
- any material safety risks that have been identified arising from the proposed contract and the arrangements for their control and mitigation (by reference to the provisions of the operator's railway safety case and, so far as is possible, the safety case of the facility owner).

VTE Holdings has engaged with Eurostar regarding access to the regulated service facility at Temple Mills. VTE Holdings submitted its application for depot access on 26th June 2024 and followed up on 13th September 2024 with its capacity requirements. On 23rd August VTE Holdings received Eurostar's assessment of capacity utilisation for the service facility. Constructive discussions were being held in accordance with the process set out in the Service Facility Description on HS1 Limited website. However, when another party submitted a S17 application for access for the same facility, Eurostar indicated that the resources required to progress our application will not be made available pending a decision has been made on that S17 application. We are therefore left with no alternative other than to progress our own S17 application to secure access to Temple Mills depot. VTE Holdings Limited's view is that sufficient capacity exists at the depot to accommodate our requirements, particularly as this regulated Light Maintenance Depot now appears to be accommodating heavy maintenance "R" exams. VTE Holdings Limited requires 10 year depot access firm quantum rights for up to seven trains every day to arrive and depart (specific times to be agreed once the detailed timetabling exercised by relevant infrastructure providers have been set), with five to be stabled overnight after 45 minute access to CET facilities has been provided and two to be inside the shed for up to 16 hours. We also require access to the wheel lathes for 1,100 wheel sets, two slots a day in the wash plant, access to 70m2 of staff facilities and offices and storage for space of 700m2. We would expect the costs to be on the basis of actual costs incurred and split commensurate with the size of our fleet on the depot compared to other depot beneficiaries.

# 2.2 Terms not agreed with the facility owner

Please set out here those specific areas of the proposed contract/amendment which the applicant has <u>not</u> been able to agree with the facility owner, the reasons for the failure to agree and the reasons for seeking these provisions.

VTE Holdings Limited's requirements at the depot are: 1) 7 x 200m trains to stable overnight – 5 in sidings; 2 inside the shed; 2) Two tracks inside the shed for daytime (16 hours) and overnight (8 hours) maintenance & corrective requirements; 3) Overhaul Hours: 132 x 16 hour slots every 6 years, plus 312 x 16 hours lots every 11-12 years; 4) Three x 400m tracks for daytime stabling; 5) Four x 1 hour nightly slots for wheel profiling, totalling 1,100 wheelsets each year; 6) 2 slots per day in the wash plant; 7) Five x 45 min slots per night at the CET/LDA facility; 8) Access to crew facilities. At the time of writing, we have received no assurances from Eurostar that our needs can be met, although we do believe that capacity exists.

## 2.3 Departure from ORR's model depot access contract

Please set out here, with reasons, any areas where the drafting of the proposed contract or amendment omits, amends or adds to the ORR's published model depot access contract (as appropriate, cross-referencing to the answers below). Wherever the proposed contract contains a new process (*e.g.* a self-modification provision) the ORR will wish to see a flowchart illustrating that the process is robust, internally consistent and leaves no loose ends.

VTE Holdings Limited does not anticipate and significant departures from the model agreement save for the infrastructure manager being High Speed 1 and subject to holding further discussions with Eurostar. Some key areas for further discussions for example are: 1) Our intention to have our chosen OEM train manufacturer maintain our trains under a full Train Services Agreement to ensure the train performs as expected; 2) We intend to negotiate a strong performance regime given the critical nature of access on/off the depot and movements within the depot; and 3) to ensure that the published charges to access the depot are reasonable and applied on a fair and consistent basis to all beneficiaries at the depot.

# 2.4 Duration of contract

Please indicate the commencement date sought for the proposed contract or amendment and provide justification for the proposed duration if appropriate.

VTE Holdings Limited seeks a Quarter 3 2027 commencement date. The contract length sought is to be coterminous with the track access contract for which we are seeking a 10 year tenure from the start of operations. This longer contract is sought on the basis that there will be a considerable initial investment to procure the rolling stock and for potential changes to the depot, which will be better understood once further engagement with Eurostar has occurred.

# 3. The expression of access rights and the consumption of capacity

# 3.1 Benefits

Please set out what specific benefits will result from the proposed contract or amendment. In particular, please describe any new rights sought or significant changes in the facilities or services to be used, their benefits to passengers and any impact on existing beneficiaries.

VTE Holding's entry into the depot will facilitate the provision of additional services between the UK and Europe, providing choice for customers. Only minor changes are expected to be needed to the depot to accommodate the proposed fleet.

#### 3.2 Adequacy

Please set out to what extent and by what process (if any) the applicant has satisfied itself that the facilities and services required can be supplied at the depot in question.

Sufficient detail has not been provided by Eurostar to make this assessment at this time. We are aware of other independent studies into available capacity at Temple Mills Depot that would suggest more than enough capacity is available in the depot to accommodate our requirements, and this view is supported by our own Train Service Agreement offer from our OEM (and past experience of the group operating trains in the UK) demonstrating what a modern and efficient maintenance operation is capable of delivering. VTE Holdings Limited would expect these modern arrangements are already in place at such a significant and unique depot. VTE Holdings Limited is also aware that the current plans to accommodate heavier maintenance "R" exams at this light maintenance depot would point to significant spare capacity being available that is in excess of the services described in Paragraph 2 of the Temple Mills International Depot Service Facility Description published on HS1's website.

## 3.3 Franchise obligations

Please indicate the extent to which the use of the depot in the proposed contract is necessary to fulfil obligations under a franchise agreement.

None

# 3.4 Public funding

Please indicate whether (and if so to what extent) the services in the proposed contract are subject to financial support from central or local government (other than the Secretary of State) and provide a point of contact at that body.

None

#### 3.5 General guidance given by the Secretary of State and/or Scottish Ministers

Please state here any general guidance given by the Secretary of State or the Scottish Ministers considered relevant to this application and why.

None

# 4. Charges

Please indicate, and explain the reasons for, how the proposed charges were determined.

As set out above, a full review of charges for accessing and using the depot to ensure any charges are fair and equitable is required before any charges are determined

# 5. Enhancement

#### 5.1 Enhancement details

Where the proposed contract or amendment provides for the delivery of any depot enhancements, or the services in the proposed contract or amendment are predicated on any planned depot 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 depot change procedure in the depot access conditions (Part C) has been completed (where appropriate, by reference to submissions made under the ORR's enhancement reporting framework).

VTE Holdings expects at this time only minor and immaterial enhancements which we expect to be easily accommodated. Further detailed discussions are required to clarify our understanding and to confirm if other changes may be required.

#### **5.2 Enhancement charges**

Please confirm that the arrangements for the funding of any depot enhancements are consistent with the ORR's investment framework, and summarise the level and duration of payments, and the assumed rate of return.

Further discussions are required with Eurostar to agree the framework are required before this can be confirmed

## 6. Other

#### 6.1 Associated applications to the ORR

Please indicate whether this application is being made in parallel with, or relates to, any other current or proposed applications to the ORR (*e.g.* in respect of track, station or light maintenance depot access contracts or agreements).

We are aware of another S17 application relating to access to the service facility at Temple Mills

#### 6.2 Supporting information

Please indicate here any further justification or relevant information in support of the application, including a list and explanation of any other material being submitted (and supply copies with the application).

None

#### 6.3 Side letters and collateral agreements

Please confirm here that the whole of the proposed contract or amendment between the parties has been submitted with this application and that there are no side letters or other documents which qualify or otherwise affect the proposed access contract. Discussions have not progressed sufficiently on the contract

#### 6.4 Confidentiality exclusions

Please indicate clearly any elements in the application and the proposed contract or amendment that the applicant would wish to exclude from wider consultation on the grounds of confidentiality specified in section 71(2) of the Railways Act 1993. Please provide a full justification for each instance by reference to those statutory grounds. Subject to its decision on such exclusions, it is the ORR's intention to publish this application and the proposed contract or amendment on the ORR website. (NB under the process established by Schedule 4 of the Railways Act 1993, the ORR is obliged to send a copy of the application **in full** to the facility owner).

We would like the dates set out in Para 2.4 excluded as these are commercially sensitive and would give any other potential aspirant operators sensitive information. As we are in the unusual position of needing to provide sensitive dates to the incumbent competitor, we have not included specific operational start dates.

# 7. 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 (including section 17), 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.

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

Signed: Click or tap here to enter text.

Date: 7th November 2024 Name (in caps): PHILIP WHITTINGHAM Job title: CONSULTANT For (company): VTE HOLDINGS LIMITED

# 8. Submission

## 8.1 What to send

You should submit your application form and any supporting documents in electronic format.

Please send by email a signed copy of this application form, a copy of the proposed draft contract or amending agreement, copies of any documents incorporated by reference (other than established standard industry codes or other instruments) and any other attachments, supporting documents or information.

Please supply these documents **in plain Microsoft Word format** (*i.e.* excluding any macros, auto-para or page numbering, or other auto-formatting).

#### 8.2 Where to send

Please send your email and any supporting documents to <u>StationsandDepots@orr.gov.uk</u>