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Dear Mark and Chris

24th Supplemental Agreement to the Track Access Contract between Network Rail Infrastructure Limited (Network Rail) and Grand Central Railway Company Limited (trading as Grand Central) dated 1 August 2014

Today we issued directions under section 22A of the Railways Act 1993 (the Act) to Network Rail and Grand Central (jointly the parties) to enter into the above supplemental agreement. ORR's approval of this application ensures Grand Central can continue to provide passengers its sixth daily service between London and Sunderland and continuity of services at Peterborough. It also gives the train operator certainty for the purposes of business planning.

Application

The purpose of this agreement is to convert the short-term contingent rights currently held by Grand Central for one daily Sunderland to London Kings Cross service, and for certain services to call at Peterborough (one service in each direction in each service group Monday – Saturday), to firm rights until the end of Grand Central's current contract (December 2027).

Network Rail proposed to grant Grand Central the rights sought in this application only until December 2025 on a contingent basis with no expectation of continuity. To maintain service continuity, the rights were granted on this basis as part of the agreed 30th supplemental agreement, but Grand Central has upheld its application to hold them on a firm basis to the end of its contract.

The rights are to commence on a firm basis upon the date that the agreement is entered into by the parties and will expire on the Principal Change Date (PCD) in December 2027 or earlier termination of Grand Central's track access contract.

Industry consultation

Network Rail undertook an industry consultation for one month in March and April 2024. Grand Central holds a mixture of firm and contingent rights for all services to call at Pontefract Monkhill. The initial application consulted on also sought to convert the necessary contingent rights held for Pontefract Monkhill to firm rights – however following conclusion of the industry consultation and confirmation that the ECML timetable recast would not be implemented in the December 2024 timetable, Grand Central decided to remove this element of the application.

Comments in support or raising no objection were received from Great Western Railway, Northern, Transport Focus and West Yorkshire Combined Authority.

LNER and CrossCountry stated that they were unable to support this application due to the ongoing work with the ECML Event Steering Group (ESG) timetable. The basis of the objection was that until the ECML ESG is resolved, both operators were unable to support a conversion of contingent rights to firm rights.

Grand Central noted that the services operated by Grand Central under contingent rights had been operating since May 2022 for the additional London-Sunderland service and January 2024 for the Peterborough calls. As the services were maintained in the June 2024 timetable, the December 2024 timetable bid and the most recent ESG outputs, Grand Central could see no reason that the contingent rights should not be converted to firm.

Statutory Consultation

As required under the Act, on 30 May 2024, we sought Network Rail's representations on the application and it replied on 28 June 2024. We forwarded these representations to Grand Central on 3 July 2024 and asked for its comments. Grand Central provided comments on 22 July 2024.

Network Rail's representations

Network Rail stated that it was unable to support the application at that time because it requested rights falling under the ECML Access Rights umbrella and due to the ongoing ECML ESG work with the ECML Taskforce.

Grand Central's comments

Grand Central noted that it was disappointed that Network Rail had been unable to support the conversion of its existing contingent rights to firm rights, especially given the fact that



contingent rights were held until December 2024, the services are currently operating, and the services had also been offered as part of the December 2024 timetable alongside being included in the ESG timetable once implemented. On this basis Grand Central believe there is sufficient evidence for the access rights to be converted to firm and remain operational until the end of its existing track access agreement without importing any risk into the current ESG timetable and wider ORR track access process.

ORR review

These are existing services which are already running in the timetable and confirmed as being included in the ECML timetable recast currently planned for December 2025. We view that granting these rights on a longer-term, firm basis will provide Grand Central with business and operational certainty, and their passengers with service continuity.

Our review of the application on an operational and performance basis pointed to approval. The rights and services are well understood in the existing timetable, having been running for more than two timetable periods. Network Rail has confirmed that these services are included in its development of the ECML timetable recast, so are part of the foundation for future timetables. This is confirmation of one additional right, which we expect Network Rail to be able to accommodate through application of its ability to “flex” the timetable, and stops at Peterborough which were previously supported by Network Rail because they increased the timetable’s resilience in terms of performance.

We have made this decision while Eastern region is under additional regulatory scrutiny for the punctuality and reliability of train services. Not least because the services relating to these rights are already in operation and are planned into future timetables, we have assessed that this decision does not materially change the nature or content of the performance improvement activity required.

Our review did not raise any economic concerns. We previously carried out an economic appraisal of these rights in our assessment of Grand Central’s 7th and 18th supplemental agreements.

Our duties under section 4 of the Act and our decision

We have considered the supplemental agreement in light of our statutory duties under section 4 of the Act. We have concluded that approval of this supplemental agreement is consistent with the discharge of our statutory duties; in particular, those relating to promoting improvements in railway service performance (section 4(1)(zb)), protecting the interests of users of railway services (section 4(1)(a)), promoting the use of the railway network for the carriage of passengers (section 4(1)(b)), promoting competition in the provision of railway services for the benefit of users of railway services (section 4(1)(d)) and enabling persons providing railway services to plan their businesses with a reasonable degree of assurance (section 4(1)(g)).



We have looked very closely at all the evidence submitted from the parties and consultees. We have concluded that we should approve the application.

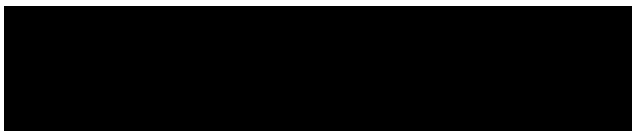
Conformed copy of the track access contract

Under clause 18.2.4 of the track access contract, Network Rail is required to produce a conformed copy, within 28 days of any amendment being made, and send copies to ORR and Grand Central. ORR's copy should be sent for my attention.

Public register and administration

Electronic copies of this letter, the approval notice and the agreement will be sent to the Department for Transport and Network Rail's Policy and Access Team. Copies of the approval notice and the agreement will be placed on ORR's public register (website) and copies of this letter and the agreement will be placed on the ORR website.

Yours sincerely



David Reed