

## 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:

Grand Central Railway Company (GC)

## 1.2 Facility owner details:

Network Rail:	<input checked="" type="checkbox"/>				
Region:	Southern <input type="checkbox"/>	Eastern <input checked="" type="checkbox"/>	North West & Central <input 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:	New Contract		
				Current contract date:	01 August 2014		
				Current contract expiry date:	Principal Change Date (PCD) 2027		

## 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:

GC is seeking an extension of its existing access rights through a new track access agreement to commence on PCD 2027. The contract duration sought is 11 years on the basis of the procurement of a new build fleet of trains.

Proposed commencement date:	PCD 2027
End date:	PCD 2038
Date approval or directions wanted by:	31 December 2024

## 1.6 Industry consultation:

Who carried out the consultation?	Network Rail		
Consultation start date:	02/09/2024	Consultation end date:	30/09/2024
Not carried out <input type="checkbox"/>			

## 1.7 Applicant details

<b>Facility Owner</b> Company: Network Rail Contact name: Mark Garner Job title: Customer Manager Address: Floor 4B George Stephenson House, Toft Green, York, YO1 6JT	<b>Beneficiary</b> Company: Grand Central Contact name: Chris Brandon Job title: Head of Business Development and Programmes Address: Suite 2A, 20 George Hudson Street, York YO1 6WR
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**1.7 Date of application to ORR:**

**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:

**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).

GC has been operating services on the East Coast Mainline (ECML) between Sunderland and London King's Cross since 2007 and between Bradford and London King's Cross since 2010.

In providing these open access rail services, GC has brought significant benefits to the communities and regions served, through increased price competition, provision of new direct journeys and significant improvements in journey time as well as creating employment opportunities in the North East, North and West Yorkshire.

GC's current track access agreement expires on PCD 2027 and with an ageing diesel fleet GC is making this application in order to extend its current access rights for 11 years, underpinning the required investment in a replacement fleet and allowing GC to continue to provide benefits to the

communities currently served. It is proposed that the agreement will commence at 01:59 hours on the PCD 2027 and end at 01:59 hours on the PCD 2038.

GC is proposing to procure a new build fleet of at least Bi-Mode trains (GC is considering the option to include an element of battery operation) which will provide an improved customer offering, remove the requirement for GC to operate diesel trains on the ECML and in to London King's Cross and improve rolling stock reliability and performance across GC services.

GC is seeking no additional access rights over and above the firm and contingent rights contained within its existing access agreement for which services are currently operating. We therefore believe consideration of this application has no impact on and is not impacted by the ORR track access process set out in its letter of 24<sup>th</sup> April, given it seeks no additional rights and is outside the periods defined in the ORR process.

For the avoidance of doubt this will mean the continuation of:

#### **North East**

Monday – Saturday – 6 return services between Sunderland and London King's Cross

Sunday: 5 return services between Sunderland and London King's Cross

#### **West Riding**

Monday – Sunday: 4 return services between Bradford and London King's Cross.

It is anticipated that an order for new trains will follow the extension of access rights as soon as possible, subject to the ongoing fleet procurement process and final internal sign off, with the introduction of the new trains to commence in January 2028.

The replacement fleet will require a phased introduction throughout 2028 where GC will operate a mixed fleet with Class 180's, as new units are delivered and brought into service. Full fleet replacement is anticipated to be complete by December 2028.

The proposed track access agreement contains additional requirements within the expiry clause (3.5) meaning the continuation of the rights granted is subject to GC placing its order within a defined timescale to be further discussed and agreed with the Office of Rail and Road (ORR) and Network Rail (NR).

**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).

GC currently operates on all routes included in the application and no new safety risks have been identified.

The introduction of a new fleet will be subject to the necessary safety validation and gauging and clearance activity. GC will work closely with NR and ORR to ensure the necessary work is completed, allowing new units to be introduced.

GC has recent experience of introducing a new rolling stock type albeit on a smaller scale, with the introduction of the Class 221 Voyager units in 2023.

**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](#).

GC is seeking an 11-year track access agreement from PCD 2027 to PCD 2038.

In order to invest in brand new rolling stock GC will be required to enter into a commercial agreement with a rolling stock financing company. GC understands the length of contract required by the rolling stock financier to be 10 years from the entry into service of the full fleet. GC is seeking an additional year (assumed to be 2028) on its access rights to allow for the transition from the existing to the new fleet. The communities we serve will then benefit fully from a more modern and environmentally friendly fleet for at least 10 years.

**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.

GC has continued to engage with NR, however due to the timescales associated with rolling stock procurement, GC has made an application under Section 17 in order meet internal project timescales.

As GC has been operating this quantum of service for a number of years, we do not anticipate any issues in relation to network capacity.

NR has indicated power supply modelling will be required in order to confirm that additional electric traction can be accommodated on the ECML. NR has committed to undertake the required work and we anticipate this to be completed in Quarter 3 2024/25.

We will continue to work with NR with a view to converting to a Section 18 application if possible.

**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.

GC has proposed the inclusion of additional conditions within the expiry clause (3.5) which would require GC to place its rolling stock order for rights to continue beyond a defined date.

In addition to this, additional clauses (3.7 and 3.8) have been included to support the inclusion of the additional expiry conditions.

These amendments are made on the basis of GC requiring access rights in order to progress an order for new build trains. They are consistent with recent Open Access applications which have required similar investment.

- 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).

N/A

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

N/A

### 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.

N/A

## 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.

The proposed application seeks to continue to provide the significant benefits GC has already brought to the local communities served in the North East and West Yorkshire. GC will also continue to provide the needed fares competition at York, Doncaster and Peterborough ensuring that fares growth is kept low and passengers have a choice, continuing to drive improvements in service quality.

Additional Benefits will include:

#### **New Trains**

GC will introduce new trains on the ECML. These trains will see a significant improvement in reliability. Current newer fleets on the ECML are achieving c. 40,000 Miles per technical incident (MTIN) compared to the current performance of GC Class 180 units (currently around 10,000 MTIN).

In addition to reliability, new trains will provide the opportunity to improve journey times. Specification of new trains will be to at least meet timings of existing Class 180 services; however, it is anticipated that improvements will be possible subject to additional timetable work once a preferred rolling stock type is selected.

GC will need to procure Bi-Mode (diesel and electric) units, due to the routes that it operates on. The utilisation of a Bi-Mode unit will provide the ability to divert away from electrified routes or operate when power supply is degraded under diesel traction, providing a significant benefit in relation to service resilience and continuity of service.

The introduction of a Bi-Mode fleet will see GC move to a majority electric operation, operating over 75% of its miles under electric traction, reducing diesel emissions and operating costs. This will also support the delivery of the RSSB blue print which seeks to remove all diesel only units by 2040 and meet improved air quality targets by 2030.

#### **Customer Benefits**

GC is seeking to procure units which will provide enhanced seating capacity with a roughly 20% increase in seated capacity vs the current Class 180's. This will provide the space required to

accommodate additional demand growth – particularly in the leisure market which has recovered well since the Covid-19 pandemic.

As well as additional capacity the new trains will deliver a significant improvement in ride quality and comfort alongside more general improvements with overall rolling stock quality. The seat pitch from our existing fleet will be maintained, with improved comfort alongside the provision of two classes of travel on board the new units.

Customers will also benefit from safety and security improvements with CCTV throughout and enhanced passenger information.

The new units will also maintain the ability to operate in multiple which will support rescue and recovery arrangements alongside allowing GC to provide additional capacity during seasonal events and other periods of high demand.

#### **Network Benefits**

Improvements in rolling stock will support overall improvements in network performance, reducing TOC on TOC delays from GC caused incidents.

**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.

GC currently operates the service levels requested in the new contract. The services are operating within the existing timetable structure and GC has fully participated in the ECML Event Steering Group (ESG) process which has demonstrated all services can continue to be accommodated.

A key element of the application is that GC will move from a full diesel operation to a Bi-Mode operation, using electric power where possible.

NR has committed to undertake the necessary power supply modelling in order to demonstrate that the minor increase in electric rolling stock on the network can be sufficiently accommodated. We expect the outputs of this modelling in Quarter 3 2024/25.

**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.

GC currently operates the level of service sought in this application and therefore we would expect no adverse impact on performance. The move to new rolling stock will lead to increased reliability reducing GC caused delays as well as providing the opportunity for improved journey times.

Operating Bi-Mode units will also provide greater resilience during times of perturbation.

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

We do not anticipate any implications for NR's maintenance and renewal activity.

## 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.

GC is seeking no additional access rights to those contained within its existing track access agreement.

The new contract will therefore include a mixture of firm and contingent rights for:

### North East

Monday – Saturday – 6 return services between Sunderland and London King's Cross  
Sunday: 5 return services between Sunderland and London King's Cross

### West Riding

Monday – Sunday: 4 return services between Bradford and London King's Cross.

Calling patterns will remain as per the current agreement, as follows:

### North East

Sunderland, Hartlepool, Eaglescliffe, Northallerton, Thirsk, York, Peterborough\* and London King's Cross.

### West Riding

Bradford Interchange, Low Moor, Halifax, Brighouse, Mirfield, Wakefield Kirkgate, Pontefract Monkhill, Doncaster, Peterborough\* and London King's Cross.

\*GC will maintain contingent access rights granted in 2023 for a 1 service in each direction Monday – Saturday to call at Peterborough.

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

GC is not proposing any changes to the existing rights held.

**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.

GC is proposing to procure new build rolling stock to support continued operations. GC is currently running a procurement exercise which will be subject to final internal approval. Selected rolling stock will have at least equivalent operating characteristics of existing Class 180 units.

Delivery of new build rolling stock will take up to 40 months, with the first unit anticipated to enter service as early as January 2028. The rolling stock will be subject to a phased introduction throughout 2028 with full fleet replacement completed by December 2028.

The necessary vehicle and route acceptance work will be undertaken with support from manufacturer and will be concluded prior to units entering service.



**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.

GC as an open access operator will be responsible for all funding.

**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.

GC has participated fully in the ECML ESG process and all existing GC services are accommodated.

## 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:

GC will continue to compete at the same levels as current with other operators on the ECML.

GC has been operating services on the ECML between the North East and London since 2007 and between West Yorkshire and London since 2010. The original service and all subsequent incremental changes have been subject to and passed the NPA test. There is therefore no requirement for any further NPA / Economic analysis to be undertaken.

Business case details will be provided under separate cover to ORR.

**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.

New rolling stock will provide performance improvements through enhanced unit reliability and potential improvements to journey times.

**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 be specified to include forward facing CCTV which will be made available to NR.

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

Monitoring of services will continue as per the existing schedule 8 regime.

**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.

No changes proposed to the existing track access agreement.

## 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 proposed application does not require any further enhancements to be made.

**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.

N/A

## 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.

24<sup>th</sup> Supplemental Agreement – Conversion of contingent to firm rights for GC's 6<sup>th</sup> North East service and limited Peterborough calls.

28<sup>th</sup> Supplemental Agreement – Additional services between Bradford Interchange and London Kings Cross and between York and London Kings Cross. Additional station calls at Seaham and Peterborough. Additional services between Wakefield and Bradford Interchange.

Both of the above applications have been consulted on as part of ORR's 24<sup>th</sup> April track access process.

It is important to note that GC is seeking no additional access rights within this application over and above those currently held within its existing track access contract and exercised to operate current service levels.

Should additional access rights be granted under the above applications, further supplemental agreements would be progressed as amendments to the new access contract to extend these additional rights.

**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.

The whole of the proposal has been submitted.

**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.

GC has redacted a number of commercially sensitive dates and financials contained within its existing track access agreement. The redactions made are as follows:

- Dates associated with contract expiry and rolling stock contracts.
- Schedule 4 Payment rates and defined service group revenue
- Schedule 8 parameters

GC will also provide a series of additional information to ORR in relation to its business case and rolling stock procurement process. All of this information is to remain strictly confidential.







LNER  
Department for Transport  
Great Western Railway  
Northern  
London Travelwatch  
Nexus  
CrossCountry

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

LNER raised no objections to the application, however requested visibility of the outputs of any power supply modelling.

Great Western had no comments on the application.

Northern raised no objection on the application, however did request further comment on the power supply considerations associated with the introduction of new services. Grand Central provided a response to this.

London travel watch were supportive of the application.

CrossCountry had no objections to the application following an initial response from Network Rail.

Nexus were supportive of the application, however requested confirmation that the rights could be accommodated. Grand Central provided a suitable response.

The Department for Transport were supportive in principle, recognising the important role Grand Central has played in improving connectivity and passenger choice since it commenced operations in 2007.

**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.

No objections raised.

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

No changes made.

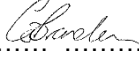
## 11. Certification



*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 ..... 8<sup>th</sup> NOVEMBER 2024 .....

Name (in caps) ..... CHRIS BRANDON ..... Job title ..... Interim Director .....

For (company) ..... GRAND CENTRAL RAILWAY COMPANY LTD .....

## 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)